

(6 pages)

Reg. No. :

Code No. : 20378 E

Sub. Code : JACO 11/
SACO 11

B.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2019.

First Semester

Commerce – Allied

BUSINESS ECONOMICS

(For those who joined in July 2016–2017 onwards)

Time : Three hours

Maximum : 75 marks

PART A — ($10 \times 1 = 10$ marks)

Answer ALL questions.

Choose the correct answer :

1. Business economic concerned with _____
economics.
 - (a) Micro
 - (b) Macro
 - (c) Positive
 - (d) Normative

2. Economic activities begin due to _____.
- (a) Money
 - (b) Availability of resources
 - (c) Wants
 - (d) Population
3. The factors that affect demand
- (a) Price
 - (b) Income
 - (c) Size of family
 - (d) All of these
4. Relatively elastic demand means
- (a) $E_d = 1$
 - (b) $E_d > 1$
 - (c) $E_d < 1$
 - (d) $E_d = 0$
5. When total product is falling, marginal product is
- (a) falling
 - (b) zero
 - (c) negative
 - (d) rising
6. What factor of production has no supply price?
- (a) labour
 - (b) land
 - (c) capital
 - (d) organisation

7. Which cost is not recorded in the books of account in general?
- (a) marginal cost
 - (b) opportunity cost
 - (c) average cost
 - (d) real cost
8. _____ is an example for variable costs of a firm.
- (a) machineries
 - (b) raw materials
 - (c) permanent employees
 - (d) buildings
9. Theory of time element in market was propounded by
- (a) Adam Smith
 - (b) Marshall
 - (c) Keynes
 - (d) Samuelson
10. The condition for firm equilibrium is
- (a) $MC = MR$
 - (b) $MR = AR$
 - (c) $MC > MR$
 - (d) $MR > AR$

PART B — ($5 \times 5 = 25$ marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Is economics a normative science?

Or

- (b) Explain the features of business economics.

12. (a) State and explain the law of demand.

Or

- (b) Is there any exception to the law of demand?

13. (a) What are the peculiarities of land?

Or

- (b) What are the different internal economies?

14. (a) Write a note on elasticity of supply.

Or

- (b) Explain : Direct cost, Indirect cost.

15. (a) What is perfect competition? What are its features?

Or

- (b) What are the characteristics features of oligopoly?

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b)

Each answer should not exceed 600 words.

16. (a) Explain the nature of economics.

Or

- (b) Discuss the role of business economist in business decision making.

17. (a) Explain the business significance of consumption.

Or

- (b) State the different types of elasticity of demand.

18. (a) Bring out the advantages of division of labour.

Or

- (b) Explain the law of increasing returns.

19. (a) Describe the factors that affect supply.

Or

- (b) Explain the relationship between average cost and marginal cost by a diagram.

20. (a) Find the equilibrium of a firm under perfect competition.

Or

- (b) Compare monopoly and oligopoly.
-