**2 0 1 2**

COMMERCE

Paper : BC–3.3

**( Business Economics )**

_Full Marks_ : 100
_Pass Marks_ : 30

_Time_ : 3 hours

( PART : B—DESCRIPTIVE )

( _Marks_ : 60 )

_The figures in the margin indicate full marks
for the questions_

Answer _any_ **three** questions

1. What is consumer surplus? How would you
   measure the elasticity of demand?     4+16=20

2. What do you mean by opportunity cost?
   Discuss the behaviour of short-run cost
   curves.     4+16=20

3. Explain the meaning and condition of
   monopoly. Evaluate upon price-output
   determination under monopoly.     5+15=20

( _Turn Over_ )

4. What are the characteristics of perfect competition? Explain how price is determined under perfect competition. 6+14=20

5. Explain profit as a residual and non-contractual income. Discuss various theories of profit. 6+14=20

6. Write notes on any *two* of the following : 10×2=20

    (a) Marginal productivity theory

    (b) Definition and scope of economics

    (c) Law of variable proportion

    (d) Ricardian theory of rent

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# 2 0 1 2

## COMMERCE

Paper : BC–3.3

**( Business Economics )**

( PART : A—OBJECTIVE )

( *Marks* : 40 )

*The figures in the margin indicate full marks for the questions*

SECTION—I

( *Marks* : 10 )

1. Tick (✓) the correct answer in the brackets provided :

    1×3=3

    *(a)* Elasticity of demand is considered to be unity, when

    *(i)* total outlay is increasing ( )

    *(ii)* total outlay is decreasing ( )

    *(iii)* total outlay remains the same ( )

    (b) Profits of public enterprises are utilised for the benefit of the

       (i) government   (   )

       (ii) society   (   )

       (iii) individual   (   )

    (c) Under monopoly

       (i) MR curve lies below AR curve   (   )

       (ii) MR curve lies above AR curve   (   )

       (iii) MR curve is equal to AR curve   (   )

**2.** State whether the following statements are *True (T)* or *False (F)* by a Tick (✓) mark :       1×3=3

    (a) Market price is determined by the equilibrium between demand and supply in a market period.

                                 ( T / F )

    (b) Under perfect competition, an individual firm can have price policy of its own.

                                   ( T / F )

    (c) Average cost curves are U-shaped.

                                   ( T / F )

3. Fill in the blanks :                                    1×4=4

    *(a)* The difference between fixed and variable costs holds good only in the ............................. .

    *(b)* Prime costs mean ............................... cost.

    *(c)* A monopolist maximises profits when marginal revenue is equal to ............................... .

    *(d)* The products of perfectly competitive market are ............................... .

( 4 )

SECTION—II

( *Marks* : 30 )

4. Write short notes on the following in not more than 5 sentences each : 3×10=30

(a) Elasticity of demand

(b) Return to scale

(c) Expansion path

*(d)* Quasi rent

(e)  Cross-elasticities

(f) Economic regions

(g) Concept of interest

*(h)* Monopolistic competition

*(i)* Cardinal approach to the theory of demand

*(j)*    Demand forecasting

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