2013

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. Define elasticity of demand. Discuss the determinants and importance of elasticity of demand. 4+16

2. What are the assumptions of monopolistic competition? Evaluate upon the price and output determination under monopolistic competition. 4+16

(*Turn Over*)

3. What do you mean by demand forecasting? Also highlight the various techniques of demand forecasting. 3+17

4. Define interest. Discuss the Keynesian theory of interest. 4+16

5. Distinguish between Gross profit and Net profit. Examine Schumpeter's innovation theory of profit. 5+15

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

   (a) Definition and scope of business economics

   (b) Behaviour of short-run cost curve

   (c) Ricardian theory of rent

   (d) Comparison between monopoly and perfect competition

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2013

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*) The curve on which combinations of goods are shown is known as

    (*i*) indifference curve   (   )

    (*ii*) demand curve   (   )

    (*iii*) long-run cost curve   (   )

    (*iv*) None of the above   (   )

(b) The firm can earn maximum profits only at that level of output where

(i) MR > MC ( )

(ii) MR < MC ( )

(iii) MR = MC ( )

(iv) None of the above ( )

(c) In the short-run, average cost curve is dependent on the

(i) law of increasing return ( )

(ii) law of decreasing return ( )

(iii) law of variable proportion ( )

(iv) None of the above ( )

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

(a) Monopolistic competition is a competition where pure monopoly prevails but not perfect competition.

(T / F)

(b) In the short-run, average cost curve is always U-shaped.

(T / F)

(c) Under monopoly the MR curve lies below AR curve.

(T / F)

3. Fill in the blanks :   1×4=4

(a) The elasticity at the mid-point of the demand curve is known as ....

(b) Under perfect competition, the demand for the product of an individual firm is ....

(c) If the supply of land is absolutely inelastic, the transfer earnings will be ....

(d) In the long run, all costs are ....

(4)

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

(a) Price elasticity

(b) Factor pricing

(c) Monopoly

(d) Consumer surplus

(e) Isoquants

(f) Properties of an indifference curve

(g)   Opportunity cost

(h) Price discrimination

(i) Return to scale

(j) Relationship between AR curve and MR curve

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