

III/ COM (ix)

2 0 1 5

(3rd Semester)

COMMERCE

Paper : BC-309

(Business Economics)

Full Marks : 75

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 50)

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

1. What do you mean by business economics?
Discuss the scope of business economics.

3+7=10

OR

2. Explain the term 'production'. Distinguish
between economic profit and accounting
profit.

4+6=10

3. What is law of demand? Briefly describe the
exceptions to the law of demand.

3+7=10

G16/53a

(Turn Over)

(2)

OR

4. What is demand forecasting? Describe the various methods of demand forecasting. 3+7=10
5. What do you mean by total utility and marginal utility? Explain the equilibrium of a consumer in terms of equimarginal principle. 4+6=10

OR

6. What is meant by indifference curve? Discuss the properties of indifference curve. 3+7=10
7. Define fixed and variable costs. Why is the short-run average cost curve U-shaped? 5+5=10

OR

8. What do you mean by production function? Discuss the law of variable proportion with diagram. 3+7=10
9. Point out the essential differences between perfect competition and monopoly. 10

OR

10. What is monopolistic competition? Explain the characteristics of monopolistic competition. 4+6=10

2015

(3rd Semester)

COMMERCE

Paper : BC-309

(Business Economics)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

SECTION—A

(Marks : 10)

1. Choose the correct answer and put its code in the brackets provided : 1×10=10

(a) The study of business economics is

(i) external to the firm

(ii) internal to the firm

(iii) both internal and external to the firm

(iv) None of the above []

(b) When total utility increases, marginal utility becomes

(i) positive

(ii) negative

(iii) constant

(iv) None of the above

[]

(c) The indifference curve analysis is based on

(i) ordinal utility analysis

(ii) cardinal utility analysis

(iii) marginal utility analysis

(iv) None of the above

[]

(d) In complete enumeration method of demand forecasting

(i) only a sample of potential users is contacted

(ii) sales representatives are contacted

(iii) almost all the potential users are contacted

(iv) None of the above

[]

(e) The shape of the average cost curve in short-run is

(i) U-shaped

(ii) V-shaped

(iii) L-shaped

(iv) None of the above

[]

(f) Indifference curves

(i) slope downward from left to right

(ii) slope downward from right to left

(iii) slope upward from left to right

(iv) None of the above

[]

(g) Law of variable proportions is also known as

(i) law of increasing returns

(ii) law of constant returns

(iii) law of diminishing returns

(iv) None of the above

[]

- (h) The production function expresses
- (i) the technological relationship between physical output and physical quantities of inputs
 - (ii) the initial production and ultimate distribution
 - (iii) the initial distribution and ultimate consumption
 - (iv) None of the above []
- (i) Monopolistic competition refers to a form of market where there are
- (i) many firms selling homogeneous products
 - (ii) a few firms selling homogeneous products
 - (iii) many firms selling differentiated products
 - (iv) None of the above []
- (j) With which of the following is the concept of marginal cost closely related?
- (i) Variable cost
 - (ii) Fixed cost
 - (iii) Opportunity cost
 - (iv) None of the above []

(5)

SECTION—B

(Marks : 15)

2. Write short notes on the following in not more than
5 sentences each : 3×5=15

(a) Concept of efficiency

(b) Quantitative technique of forecasting

2. Write short notes on the following in not more than 2 sentences each (20 marks) (3x5=15)

- (a) Concept of efficiency
- (b) Elasticity of demand
- (c) Elasticity of supply
- (d) Elasticity of income
- (e) Elasticity of substitution
- (f) Elasticity of complementarity
- (g) Elasticity of joint supply
- (h) Elasticity of derived demand
- (i) Elasticity of induced demand
- (j) Elasticity of multiplier effect
- (k) Elasticity of multiplier effect in a two sector economy
- (l) Elasticity of multiplier effect in a three sector economy
- (m) Elasticity of multiplier effect in a four sector economy
- (n) Elasticity of multiplier effect in a five sector economy
- (o) Elasticity of multiplier effect in a six sector economy
- (p) Elasticity of multiplier effect in a seven sector economy
- (q) Elasticity of multiplier effect in an eight sector economy
- (r) Elasticity of multiplier effect in a nine sector economy
- (s) Elasticity of multiplier effect in a ten sector economy
- (t) Elasticity of multiplier effect in an eleven sector economy
- (u) Elasticity of multiplier effect in a twelve sector economy
- (v) Elasticity of multiplier effect in a thirteen sector economy
- (w) Elasticity of multiplier effect in a fourteen sector economy
- (x) Elasticity of multiplier effect in a fifteen sector economy
- (y) Elasticity of multiplier effect in a sixteen sector economy
- (z) Elasticity of multiplier effect in a seventeen sector economy
- (aa) Elasticity of multiplier effect in an eighteen sector economy
- (ab) Elasticity of multiplier effect in a nineteen sector economy
- (ac) Elasticity of multiplier effect in a twenty sector economy

(7)

(c) Equimarginal utility

(5) Marginal product

(d) Marginal product

(e) Monopoly
