2021

(CBCS)
(5th Semester)
COMMERCE

FIFTEENTH PAPER
[Business Economics]

Full Marks: 75
Time: 2 hours

INSTRUCTIONS TO CANDIDATES

(Please read the instructions carefully before you start writing your answers)

1. Questions should be attempted as per instructions.

2. Do not copy the Questions. Indicate the Section and Question No. clearly while attempting the answer.

3. For Multiple choice answers, candidate should indicate the Question No., Sub. No., (if any) and the correct answer. For example :

    1. *Name the State capital of Mizoram.*

        (a) Lunglei

        (b) Aizawl

        (c) Champhai

    Candidate should provide answer as—Q. No. *1 : (b) Aizawl* [Candidate should avoid writing only *(b)*]

4. Section B - Answer to Short Answer should be limited to **One Page** only.

5. The figures in the margin indicate full marks for the questions.

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SECTION: A – OBJECTIVE

(Marks: 30)

Choose the correct answer from the following: 1x30=30

1. "Articles of distinction command more demand when their price are higher".
   This definition is given by
   (a) Veblen
   (b) Eland
   (c) Thomas
   (d) Hudson

2. During the time of war, emergency or pandemic people buy the products at
   (a) Higher price
   (b) Lower price
   (c) High quality product
   (d) Low quality product

8. When elasticity is computed between two separate points on a demand curve, the concept is called
   (a) Point method
   (b) Revenue method
   (c) Arc elasticity
   (d) Price elasticity

9. The concept of price elasticity of demand is also crucially important in the field of
   (a) Public finance
   (b) Monetary policy
   (c) Taxation policy
   (d) International economics

10. The knowledge of income elasticity of demand also plays significant role in
   (a) Production policy
   (b) Pricing policy
   (c) Demand strategy
   (d) Marketing strategy

11. In demand forecasting method random fluctuation are
   (a) Predictable
   (b) Not predictable
   (c) Influencing
   (d) Not influencing

12. The management in order to evaluate the impact 0f changes in its marketing strategies used the method of
   (a) Trend projection
   (b) Econometric method
   (c) Time series analysis
   (d) Market experiment

3. Giffen goods are those goods which have
   (a) High quality
   (b) Low quality
   (c) Inferior quality
   (d) (d) Superior quality

4. Substitution effect also leads the demand curve to
   (a) Slope from left downward to right
   (b) Slope from right to left
   (c) Slope upward from left to right
   (d) Slope upward from right to left

5. The quality purchase by all individuals at different price in a particular period of time is consider under
   (a) Demand schedule
   (b) Market demand schedule
   (c) Price schedule
   (d) None of the above

6. The law of demand is based on
   (a) Low of diminishing marginal utility
   (b) Low of variable proportion
   (c) Law of proportionate change
   (d) None of the above

7. Price elasticity of demand is a device to measure the rate of changes in the quantity of a product demanded in response to a small change in its
   (a) Price
   (b) Product
   (c) Demand
   (d) Demand supply

18. In public finance the law of diminishing marginal utility provides the basis   for the theory of progressive

    (a) Taxation

    (b) Calculation

    (c) Demand

    (d) Supply chain

19. The law of variable proportion is applicable to

    (a) Agriculture

    (b) Manufacturing sector

    (c) Trade and commerce

    (d) Marketing sector

20. The law of variable proportion is also known as

    (a) Law of increasing returns

    (b) Law of constant returns

    (c) Law of diminishing returns

    (d) None of the above

21. If the average cost of production remains constant, the marginal cost

    (a) Must be rising

    (b) Must be falling

    (c) Must be constant

    (d) (d) Not related at all

22. The production function explains

    (a) The technical relationship between inputs and the resultant output

    (b) The relationship between initial production and initial consumption

    (c) The initial production and ultimate distribution

    (d) The initial production and ultimate consumption

13. The utility which occurs to the consumer from all units of commodity is known as
   (a) Marginal utility
   (b) Total utility
   (c) Both (a) and (b)
   (d) None of the above

14. Under the utility of goods, we have
   (a) Two laws
   (b) Three laws
   (c) Four laws
   (d) (d) None of the above

15. Under the law of diminishing marginal utility, we assumed that the commodity consumed must not be
   (a) Big size
   (b) Medium size
   (c) Too small in use
   (d) Too big in size

16. Indifferences curve analyses becomes complex when a consumer take combination of
   (a) Less than three goods
   (b) Less than two goods
   (c) More than two goods
   (d) More than three goods

17. The law of equimarginal utility is also known as
   (a) Law of substitution
   (b) Law of maximum satisfaction
   (c) Gossen's second law
   (d) All the above points

28. Monopolistic competition is a type of market where there

    (a) Is a single firm producing the product in the market.

    (b) Are few firms selling the products in the market.

    (c) Are many firms selling differential products in the market

    (d) None of the above

29. A firm under monopolistic competition attains equilibrium in the short – run when

    (a) AR=AC

    (b) MR=MC

    (c) MR=AC

    (d) AR=MC

30. The price under perfect competition in the very short period is known as

    (a) Normal price

    (b) Market price

    (c) High price

    (d) Low price

23. In the average production p process, the units of variable factors are

    (a) Heterogeneous

    (b) Homogenous

    (c) Both (a) and (b)

    (d) None of the above

24. Total cost curve is

    (a) Downward rising

    (b) Downward sloping

    (c) Upward sloping

    (d) Upward rising

25. The distinction between the firm and the industry disappears under condition of

    (a) Duopoly

    (b) Perfect competition

    (c) Oligopoly

    (d) monopoly

26. Industry under perfect competition is in long run equilibrium when

    (a) Industry earns supernormal profits

    (b) Industry incurs losses

    (c) Industry earns normal profits

    (d) No firm makes any loss

27. When there are only two sellers in the markets it is called

    (a) Oligopoly

    (b) Monopoly

    (c) Duopoly

    (d) None of the above

SECTION : B – SHORT ANSWER

(Marks : 45)

Answer the following questions in not more than 1 (one) page each, choosing 3 (three) questions from each unit.

3x15=45

Unit I

1. The scope of business economic
2. Utilities of business economics in public sector
3. The factors of demand
4. Demand curve and demand schedule

Unit II

5. Price of a product
6. Relation between income and demand
7. Elasticity of demand of a product
8. Econometric method

Unit III

9. Law of diminishing marginal utility
10. Principles of equimarginal utility
11. Importance of indifference curve
12. Properties of indifference curve

Unit IV

13. Features of production function
14. Law of variable proportion
15. Fixed cost and variable cost
16. Relationship between AC and MC

Unit V

17. Perfect Competition
18. Characteristic of monopoly market
19. Distinction between perfect competition and imperfect competition
20. Price and equilibrium point under perfect competition

***** End of question *****