III/ BCO (xii)

2012

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

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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2012

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 ....

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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