

III/COM (ix)

2014

(3rd Semester)

COMMERCE

Paper No. : 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. Why does demand curve usually slope downward to the right? Are there any exceptions to this? 5+5=10

OR

2. Explain the role concepts of (a) price elasticity of demand and (b) income elasticity of demand. 5+5=10
3. Explain the nature of business decision-making problem. How is an optimal business decision made? 5+5=10

(2)

OR

4. Explain the concepts of (a) opportunity cost and (b) accounting profit and economic profit.

5+5=10

5. Explain with diagram the law of diminishing marginal utility.

10

OR

6. What is indifference curve? Describe the properties of indifference curve.

3+7=10

7. What is production function? Discuss the stages of the law of variable proportions.

3+7=10

OR

8. Distinguish between fixed and variable costs. Differentiate between accounting cost and economic cost.

5+5=10

9. What is monopoly market? Discuss the characteristics of monopoly.

3+7=10

OR

10. Explain briefly the conditions of price-output equilibrium under monopolistic competition in the short run with diagram.

10

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2014
(3rd Semester)

COMMERCE

Paper No. : 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) Other things remaining constant, a fall in the price of a commodity results in

(i) an increase in income

(ii) an increase in quantity demanded

(iii) an increase in supply

(iv) a decrease in demand []

(b) The law of diminishing returns refers to an actual fall in

- (i) total product of all the factors of production
- (ii) average income of the firm
- (iii) marginal product of the variable factor
- (iv) None of the above []

(c) The production function explains

- (i) the initial production and ultimate distribution
- (ii) the technical relationship between inputs and the resultant output
- (iii) the initial production and ultimate consumption
- (iv) None of the above []

(d) Business economics is also known as

- (i) business management
- (ii) monetary economics
- (iii) managerial economics
- (iv) macroeconomics []

(3)

(e) The point, where the total product stops increasing at an increasing rate and starts increasing at the diminishing rate, is called

(i) point of negative returns

(ii) point of inflection

(iii) point of diminishing returns

(iv) None of the above

[]

(f) The equal product curves are also known as

(i) isoquant

(ii) isocost line

(iii) learning curve

(iv) All of the above

[]

(g) Demand forecasting means

(i) prediction of future demand

(ii) demand availability

(iii) the power to restrict the entry of new firms

(iv) None of the above

[]

(4)

- (h) The isocost line is also called
- (i) the outlay line
 - (ii) the supply line
 - (iii) the demand line
 - (iv) None of the above []
- (i) Under monopoly
- (i) MR curve is parallel to AR curve
 - (ii) MR curve lies above AR curve
 - (iii) MR curve intersects with AR curve
 - (iv) MR curve lies below AR curve []
- (j) When AC is constant
- (i) $MC = AC$
 - (ii) $MC > AC$
 - (iii) $MC < AC$
 - (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) Time and discounting principles

(6)

(b) Demand forecasting

(Marks : 15)
2. Write short notes on the following in not more than 5 sentences each :
(a) Time and discounting principles and law

(b) None of the above

(c) Under marginal

(d) MR curve is parallel to AR curve

(e) MR curve lies above AR curve

(f) MR curve intersects with AR curve

(g) MR curve lies below AR curve

3. When is a market

(a) Perfectly competitive

(b) Monopolistic

(c) Oligopolistic

(d) None of the above

(7)

(c) Average product (b)

(8)

(d) Equimarginal utility

(9)

(e) Characteristics of perfect competition
