

(7 pages)

Reg. No. :

Code No. 12244 E Sub. Code : CABE 21

B.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2025.

Second Semester

Banking and E-Commerce – Allied

BUSINESS ECONOMICS

(For those who joined in July 2022 only)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The scope of business economics includes
 - (a) Demand Analysis and forecasting
 - (b) Cost and Production Analysis
 - (c) Profit Management
 - (d) All the above
2. Which serves as an instrument in socially oriented business decisions?
 - (a) Business Communication
 - (b) Business Economics
 - (c) Business Mathematics
 - (d) Business Statistics
3. A Graphical representation obtained by plotting a demand schedule is a
 - (a) Demand curve
 - (b) Supply curve
 - (c) Production curve
 - (d) Cost curve
4. If a commodity is expensive people think it has more utility. Such kinds of goods are
 - (a) Giffen goods
 - (b) Inferior goods
 - (c) Conspicuous goods
 - (d) None of the above

5. Which of the following is an example of a variable factor of production?
- (a) Factory building
 - (b) Machinery
 - (c) Labor
 - (d) Entrepreneurship
6. According to the classical approach, what happens to output when a variable factor is added to a fixed factor?
- (a) Output increases at an increasing rate
 - (b) Output increases at a decreasing rate
 - (c) Output remains constant
 - (d) Output decreases
7. What is the average total cost?
- (a) Total cost divided by quantity produced
 - (b) Total cost multiplied by quantity produced
 - (c) Total cost minus quantity produced
 - (d) Total cost plus quantity produced
8. What is the supply curve?
- (a) A graph of relationship between price and quantity demanded
 - (b) A graph of relationship between price and quantity supplied
 - (c) A graph of relationship between quantity supplied and quantity demanded
 - (d) A graph of relationship between price and total revenue
9. The kinked demand curve model is associated with:
- (a) Monopoly
 - (b) Perfect competition
 - (c) Monopolistic competition
 - (d) Oligopoly
10. In the long-run equilibrium of a competitive market, firms operate at
- (a) the intersection of the marginal cost and marginal revenue
 - (b) their efficient scale
 - (c) zero economic profit
 - (d) all the above

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Define business economics.
Or
(b) Discuss the role of business economist in decision making.
12. (a) Write a note on price elasticity.
Or
(b) Explain the assumptions of law of demand.
13. (a) Briefly explain the diseconomies of scale.
Or
(b) List out the stages of production and explain.
14. (a) Explain the concept of elasticity of supply.
Or
(b) Describe about average cost curve.

15. (a) What is meant by oligopoly and State the characteristics of oligopoly?

Or

- (b) Describe the price and output determination in monopoly.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Narrate the nature of business economics.
Or
(b) Enumerate the significance of economics.
17. (a) Elaborate the methods of measuring price elasticity of demand.
Or
(b) Explain Law of demand.
18. (a) Discuss the characteristics of production.
Or
(b) Examine the law of variable proportion.

19. (a) Explain the factors affecting supply.

Or

(b) Overview the concept of fixed and variable cost curve.

20. (a) Discuss the price determination under oligopoly.

Or

(b) Elaborate the characteristics of monopolistic competition.
