



K23P 0115

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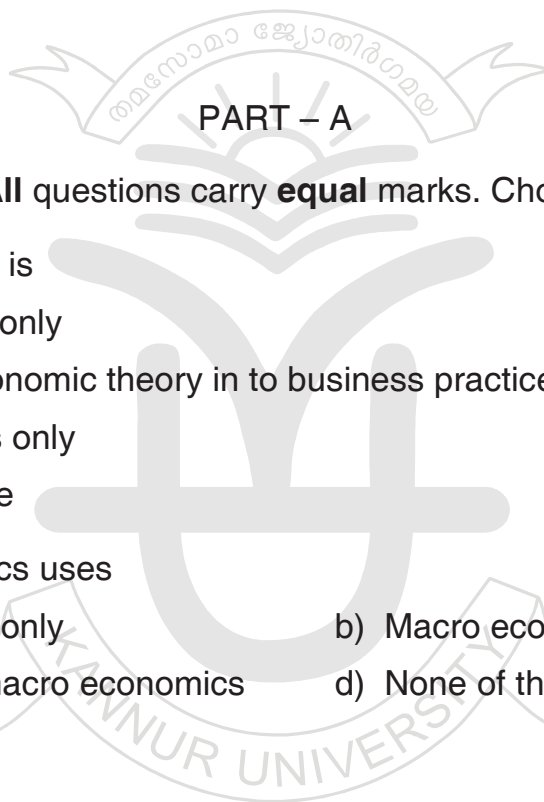
Name :

**IV Semester M.A. Degree (CBSS – Reg./Supple./Imp.) Examination, April 2023
(2019 Admission Onwards)**

**Economics/Applied Economics/Development Economics
ECO4E08 : BUSINESS ECONOMICS**

Time : 3 Hours

Total Marks : 60



Answer **all** questions. **All** questions carry **equal** marks. Choose the correct answer.

1. Business economics is
 - a) Economic theory only
 - b) Application of economic theory in to business practice
 - c) Macro economics only
 - d) None of the above
2. Managerial economics uses
 - a) Micro economics only
 - b) Macro economics only
 - c) Both micro and macro economics
 - d) None of the above
3. Implicit cost refers to
 - a) Marginal cost
 - b) Total average cost
 - c) Which is not recorded in the books of account
 - d) None of the above
4. An input should be so allocated that the value added by the last unit is the same in all cases
 - a) Opportunity Cost Principle
 - b) Equi-Marginal Principle
 - c) Incremental Principle
 - d) Discounting Principle

P.T.O.



5. In case of _____ demand, a slight change in the price will make greater change in demand.

- a) Inelastic
- b) Relatively inelastic
- c) Perfectly elastic
- d) Perfectly inelastic

6. Which of the following is not a survey method of demand forecasting ?

- a) Consumers interview method
- b) Expert opinion method
- c) Barometric method
- d) Collective opinion method

7. Price discrimination refers to

- a) Selling the same commodity at same prices to buyers
- b) Selling the same commodity at different prices to buyers
- c) Selling the different commodity at same prices to buyers
- d) None of the above

8. In economics, desire backed by purchasing power is known as

- a) Utility
- b) Demand
- c) Consumption
- d) Scarcity

(8×½=4)

PART – B

Answer **any eight** questions. **Each** answer should **not** exceed **one and a half** pages.

9. What is micro economics ?

10. Distinguish between positive economics and normative economics.

11. Give the meaning of cross elasticity of demand.

12. Write the demand function.

13. Give the meaning of autonomous demand.

14. What is budget line ?



15. Define demand forecasting.
16. What is sunk cost ?
17. What is multi product pricing ?
18. What do you mean by Veblen good ?
19. Briefly explain the pricing policy in the public sector. (8×2=16)

PART – C

Answer **any four** questions. **Each** answer should **not** exceed **two and a half** pages.

20. Explain the concept of opportunity cost.
21. Discuss the various determinants of demand.
22. Explain different types of income elasticity of demand.
23. Explain various economies of scale.
24. Distinguish between marginal cost pricing and cost-plus pricing.
25. Explain the role of managerial judgement. (4×5=20)

PART – D

Answer **any two** questions. **Each** answer should **not** exceed **six** pages.

26. Explain the nature and scope of business economics.
 27. Explain the steps and methods of demand forecasting.
 28. Elucidate the cost-output relationship in the short run.
 29. Explain the need and the different stages of capital budgeting. (2×10=20)
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