

Roll No.

Total Pages : 3

352301

December 2023

B.Com. (Honours) - IIIrd SEMESTER

Business Economics (BCOMH-301)

Time : 3 Hours]

[Max. Marks : 75

Instructions :

1. *It is compulsory to answer all the questions (1.5 marks each) of Part-A in short.*
2. *Answer any four questions from Part -B in detail.*
3. *Different sub-parts of a question are to be attempted adjacent to each other.*

PART-A

1. (a) Differentiate between elastic, inelastic, and unitary elastic demand. (1.5)
- (b) Why is the concept of elasticity of demand important for businesses and policymakers when making pricing and taxation decisions? (1.5)
- (c) Differentiate between explicit costs, implicit costs, and opportunity costs of production. (1.5)
- (d) Describe the marginal cost pricing strategy. (1.5)
- (e) Discuss the concept of going rate pricing. (1.5)
- (f) Discuss the significance of investment in promoting economic growth and stability. (1.5)

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- (g) Define isoquant curves and their purpose in production analysis. (1.5)
- (h) Discuss the concept of cardinal utility analysis. (1.5)
- (i) What are the income and substitution effects of a price change? (1.5)
- (j) What is demand forecasting, and why is it essential for businesses and policymakers? (1.5)

PART-B

- 2. (a) Explain the fundamental concepts of demand and supply. How do they interact to determine market prices and quantities? (10)
- (b) Explain the concept of scarcity and how it relates to the basic economic problems of allocation, distribution, and production. (5)
- 3. (a) Define the concept of price elasticity of demand (PEI). How is it calculated, and what does the value of PED indicate about the responsiveness of demand to price changes? (7.5)
- (b) What is the income elasticity of demand (YED), and how can it be used to categorize goods as normal or inferior? (7.5)
- 4. (a) Explain the law of diminishing marginal utility and its implications for consumer choices. (7.5)
- (b) Contrast cardinal utility analysis with ordinal utility analysis. What key differences exist between the two

approaches? (7.5)

- 5. (a) Explain the Law of Variable Proportions. How does it describe the behavior of production when one input is varied while others are held constant? (10)
- (b) What are economies of scale and diseconomies of scale, and how do they influence the shape of the long-run average cost curve? (5)
- 6. (a) Explain the economic significance of understanding cost curves in production planning and pricing decisions. (5)
- (b) Describe the phases of a business cycle and explain the characteristics of each phase. (10)
- 7. (a) Classify markets into perfect competition, monopoly, monopolistic competition, and oligopoly. Highlight the key characteristics of each market structure. (10)
- (b) Define national income and explain why it is an important economic indicator. (5)