Ist Sem. B.Com Examination Nov/Dec. - 2005
COMMERCE
Business Economics - I

Time: 3 Hrs.   Max. Marks: 90

Section A

1. Answer any **TEN** sub-questions. Each sub-question carries 2 marks

                                                               (10x2 = 20)

   a) What is business operation?

   b) What is business economics?

   c) What is consumption?

   d) What is total utility?

   e) State the law of demand.

   f) What is a budget line?

   g) What is meant by elasticity of supply?

   h) Give an imaginary indifference schedule.

   i) Diagrammatically represent increase in supply and contraction of supply.

   j) What is production function?

   k) What is ISO Cost Curves?

   l) What is real cost?

Section B

Answer any **FIVE** of the following. Each question carries 5 marks   **(5x5 = 25)**

2. A manufacturer incurs a total fixed cost of Rs. 400 to produce 6 units of the product. The marginal cost is as follows:

Output	1	2	3	4	5	6
M.C.	220	100	70	85	145	250

   Find out total cost, variable cost, average cost, average variable cost and average fixed cost.

3. The following is from the sales records of XYZ Company. Using least square method forecast the sales for the year 2006 and 2007:

Year	2001	2002	2003	2004	2005
Sales (in lakhs)	35	40	30	60	50

4. With the help of the following data, adopting total outlay method, findout the price elasticity of demand. Diagrammatically represent the demand curves.

Price	Quantity demanded
Rs.10	1,000
Rs. 9	2,000
Rs. 8	3,000