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Skill Development

Ist Sem. B.Com Examination Nov/Dec. - 2009
COMMERCE
Business Economics - I

Time: 3 Hrs.

Max. Marks: 90

Section A

Answer any ten of the following. Each sub-question carries 2 marks. (10x2=20)

- a) Who is a Business Economist ?
- b) What is decision - making ?
- c) State the meaning of consumer equilibrium.
- d) What are the exceptions to the law of supply ?
- e) What is explicit cost ? Give an example.
- f) What is cross elasticity of demand ?
- g) Mention any four determinants of demand.
- h) Mention any two determinants of elasticity of demand.
- i) State two features of production function.
- j) What are external economies of scale ?
- k) What do you mean by business operation ?
- l) Define market demand schedule.

SECTION - B

Answer any five questions. Each question carries five marks : (5x5=25)

2. What is law of Demand ? Mention the exceptions to the law of Demand.
3. Briefly explain the role of a business economist.
4. What is Consumer Sovereignty ? State the limitations of Consumer Sovereignty.
5. State the meaning of indifference curve. State the properties of indifference curve.
6. Explain the types of production function.
7. From the data given below find the trend values for each year using the method of least squares and estimate the annual sales for the year 2009.

Year	2004	2005	2006	2007	2008
Sales (Rs.in lakhs)	180	224	312	184	300

8. With the help of the following data, by adopting total outlay method, find out the price elasticity of demand and show the graphic representation.

	Price per unit (in Rs.)	Quantity demanded (in units)
a)	10	1000
	9	2000
	8	3000
b)	10	900
	9	1000
	8	1125
c)	10	1000
	9	1050

8

1000

9. With the help of data given below, calculate TVC, AFC, AVC, AC and MC.

Output (in units)	0	1	2	3	4	5
Total Cost in (Rs.)	60	102	124	144	160	180

SECTION - C

Answer any three questions from the followings. Each question carries fifteen (3x15=45)

10. Discuss the scope and responsibilities of Business Economist.
11. Discuss the price elasticity of demand and mention the factors which influence elasticity of demand.
12. What is demand forecasting ? Discuss the survey method of demand forecasting in detail.
13. Explain how producer will reach the position of equilibrium with the help of ISO quants and ISO cost curves.
14. Define, classify and explain the economies of large scale production.



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