

C.E.S. College of Arts & Commerce Cuncolim- Salcete- Goa
F.Y.B.Com I (Old Course) Semester End Examination, Oct. 2018
Business Economics

Date: 22/10/2018

Time: 2.00 p.m. to 4.00 p.m

Marks: 80

Duration: 2hrs

Instructions:

1. All questions are compulsory
2. Figure to the right indicate marks allotted for the question.
3. Draw appropriate diagram wherever necessary

Q1. Answer any four of the following questions in not more than 100 words: (4x4=16)

- a) Write a short note on concept of opportunity cost
- b) Enumerate any four points explaining significance of managerial economics.
- c) Outline in brief the concept of advertisement elasticity of demand.
- d) With the help of diagram explain the concept of extension and contraction in supply.
- e) If price of commodity 'X' increases from Rs. 5 to Rs. 7 and as a result supply increases from 5000 units to 12000 units calculate elasticity of supply of commodity 'X'
- f) Explain in short the significance of concept of price elasticity of demand

Q2. Answer any four of the following questions in not more than 100 words: (4x4=16)

- a) Distinguish between implicit and explicit costs.
- b) Briefly explain the concept of production function
- c) Explain why average cost curve is U-shaped.
- d) What is meant by diseconomies of scale?
- e) List the properties of Iso-quants. Explain why they are generally convex to origin.
- f) Explain the concept of Average Variable Costs, Average Total Costs and Marginal Cost and draw a diagram indicating relationship between them.

Q3. A) Explain the following concept: (12)

- i) Equi-marginal Principle
- ii) Principle of Time Perspective
- iii) Discounting Principle

OR

Q3. X) Outline the relationship of managerial economics with disciplines like accountancy and mathematics. (12)

Q4. A) Enumerate the determinants of demand and explain the law of demand with the appropriate demand schedule and demand curve (12)

OR

Q4. X) Explain the purpose of demand forecasting and write about any two methods of demand forecasting.

Q5. A) Explain the concept of short-run and long-run production function. (12)

OR

Q5. X) Critically evaluate the law of Variable Proportion. (12)

Q6. A) Explain various kinds of economies and diseconomies of scale faced by the business firms in production process. (12)

OR

Q6. Calculate TVC, AFC, AVC, ATC and MC from the following table if TFC is 200: (12)

Total Output	10	20	30	40	50	60	70	80	90	100
Total Costs (TC)	300	360	380	400	430	478	540	610	700	810

----- End -----