I Semester B.Com. Examination, Nov/Dec. 2010
(Semester Scheme)
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) State any two main difference between business economics and economics.
   b) What is consumer's surplus ?
   c) What do you mean by Business operations ?
   d) What is utility ?
   e) What is indifference schedule ?
   f) What is Demand Schedule ?
   g) What do you mean by Veblon's effect ?
   h) What is Average cost ?
   i) Distinguish between Firm and Industry.
   j) What do you mean by Elasticity of Supply ?
   k) Give the meaning of Demand Forecasting.
   l) What do you mean by Income line ?

SECTION - B

Answer **any five** questions. Each sub-question carries **5** marks   **(5x5=25)**

2. Discuss the scope of Business Economics.

3. Explain the different forms of elasticity of demand.

4. With the help of the following data, adopting total outlay method, find out price elasticity of
   demand. Show the graphics representation.

	Price (in Rs.)	Qty Demanded (in units)
a)	20.00	600
	15.00	900
	10.00	1400
b)	20.00	600
	15.00	700
	10.00	800
c)	20.00	600
	15.00	800
	10.00	1200

5. With the help of data given below, find F.C, V.C, A.F.C, AVC, AC and MC

Output (in units)	0	1	2	3	4	5	6
Total Cost (in Rs.)	360	540	600	630	675	780	990

6. What is the law of Equi-Marginal utility ? What are the assumptions of the law ?

7. What is market demand schedule ? What are the influencing factors ?

8. Give the meaning of external economies ? Explain its forms.

9. Explain the short-run behaviour of F.C., V.C. and T.C. with the help or graph.

SECTION - C

Answer **any 3** questions. Each sub-question carries **15** marks   **(3x15=45)**

10. Who is Business Economist ? Explain his role in Business Economies.

11. Give the meaning of Indifference curve analysis. Explain its assumptions and properties.

12. 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 2010 and 2011

Year	2002	2003	2004	2005	2006	2007	2008
Sales (Rs. in Lakhs)	80	95	120	83	102	100	120

13. Explain the law of demand with the schedule and diagram. Discuss the assumptions of the law.

14. What is demand forescasting? Discuss the purpose of demand forecasting in short-run and long-run.