



*Hamball*

**Avinashilingam Institute for Home Science and Higher Education for Women**  
Deemed to be University Estd. u/s 3 of UGC Act 1956, Category A by MHRD (now MoE)  
Re-accredited with A++ Grade by NAAC. CGPA 3.65/4, Category I by UGC  
Coimbatore - 641043, Tamil Nadu, India

**Bachelor's Degree Examination - November 2025**  
**I Semester**

**Class: I UG**  
**Major: B.Com (PA)**

**Time: 3 Hours**  
**Max. Marks: 100**

**23BCPC02 Business Economics**

**Course Outcomes:**

- CO1: Develop knowledge about concepts, definitions, scope and problem and solving the business  
CO2: Assess and evaluate the demand, supply, price and output determination.  
CO3: Evaluate the theories and factors of production in the current  
CO4: Provide and measure the price of various types of markets.  
CO5: Knowledge about different phases of business cycles.

**Part A**  
**Choose the Correct Answer**

**10 x 1 = 10**

1. The law of demand states that, other things being equal ----- CO1 K1
  - a. Price and quantity demanded are directly related
  - b. Price and quantity demanded are inversely related
  - c. Demand creates its own supply
  - d. Demand and supply are unrelated
2. Business Economics is ----- CO1 K2
  - a. Pure science
  - b. Normative science
  - c. Descriptive science
  - d. Applied science
3. The concept of 'Consumer Surplus' was introduced in Economics by ----- CO2 K2
  - a. Prof. Robbins
  - b. Prof. Samuelson
  - c. Prof. Smith
  - d. Prof. Marshall
4. Elasticity of supply refers to ----- CO2 K2
  - a. Responsiveness of supply to price changes
  - b. Responsiveness of demand to price changes
  - c. Responsiveness of cost to output changes
  - d. Supply of elastic goods only
5. Which cost increases continuously with production? CO3 K2
  - a. Fixed cost
  - b. Variable cost
  - c. Sunk cost
  - d. Opportunity cost
6. Which one of the following is a feature of a perfect competition? CO3 K2
  - a. Selling Cost
  - b. Group Behaviour
  - c. Homogenous Product
  - d. Differentiated Product
7. Which of the following is NOT a feature of monopolistic competition? CO4 K2
  - a. Free entry and exit
  - b. Product differentiation
  - c. Single seller
  - d. Many buyers and sellers
8. A market with a single buyer is called: CO4 K2
  - a. Monopoly
  - b. Monopolistic competition
  - c. Oligopoly
  - d. Monopsony
9. Production possibility curve shows ----- CO5 K2
  - a. The optimum level of production
  - b. The maximum output combinations
  - c. The quantity of goods to be imported
  - d. The minimum wage level
10. The stage of depression in a business cycle is marked by ----- CO5 K2
  - a. High employment
  - b. High investment

**Part B**

**5 x 6 = 30**

**Answer ALL questions**

**Each answer should not exceed 400 words or two pages**

- 11.a. Explain the nature and scope of Business Economics. CO1 K3  
(or)
- 11.b. Discuss the role of price mechanism in an economy. CO1 K3
- 12.a. State and explain the Law of Demand with exceptions. CO2 K2  
(or)
- 12.b. Distinguish between individual demand and market demand. CO2 K2
- 13.a. Define price elasticity of demand and explain its types. CO3 K2  
(or)
- 13.b. What are the determinants of elasticity of supply? CO3 K2
- 14.a. Explain the concept of opportunity cost with examples. CO4 K3  
(or)
- 14.b. Discuss the differences between short-run and long-run cost functions. CO4 K3
- 15.a. What are the features of monopolistic competition? CO5 K2  
(or)
- 15.b. What are the welfare implications of different market structures? CO5 K2

**Part C**

**5 x 12 = 60**

**Answer ALL questions**

**Each answer should not exceed 800 words or four pages**

- 16.a. Explain in detail the basic problems of an economy. CO1 K3  
(or)
- 16.b. Discuss the importance and limitations of economics in business decision making. CO1 K3
17. a. Discuss the factors determining demand and explain how demand forecasting helps in business decisions. CO2 K3  
(or)
- 17.b. Explain consumer equilibrium using the concept of marginal utility. CO2 K3
- 18.a. Describe the law of diminishing returns and explain its implications. CO3 K4  
(or)
- 18.b. Explain the different types of cost curves in the short-run. CO3 K4
- 19.a. Compare perfect competition and monopoly in terms of price and output determination. CO4 K3  
(or)
- 19.b. Explain equilibrium of a firm under monopolistic competition in the short-run and long-run. CO4 K3
- 20.a. Explain the different phases of a business cycle and the causes behind them. CO5 K4  
(or)
- 20.b. Discuss the importance of understanding business cycles in business decision making. CO3 K4

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