M. COM
FIRST SEMESTER
BUSINESS ECONOMICS
MCM-101

(Use separate answer scripts for Objective & Descriptive)

Duration : 3 hrs. **Full Marks : 70**

[PART-A : Objective]

Time : 20 min. **Marks : 20**

Choose the correct answer from the following: ***1×20=20***

1. Demand for a commodity refers to:
   a. Desire for commodity.
   b. Need for commodity.
   c. Desire for commodity backed by willingness and ability to pay for it.
   d. Ability to pay for commodity.

2. Higher the indifference curve?
   a. Higher will be utility
   b. Lower will be utility
   c. Utility will remain same
   d. None of the these

3. Indifference curve is always:
   a. Concave to origin
   b. Vertical line
   c. Convex to origin
   d. Sloping upwards

4. If change in quantity demanded is greater than change in price, the elasticity of demand is called as:
   a. Unitary Elastic Demand
   b. Inelastic Demand
   c. Elastic Demand
   d. None of these

5. What is mean by Utility of a commodity?
   a. Power of a commodity
   b. Nature of a commodity
   c. Consumption of commodity
   d. Want satisfying power of commodity

6. The economic costs are equal to accounting cost plus addition of:
   a. Explicit costs
   b. Opportunity costs
   c. Implicit costs
   d. Social costs

7. The marginal cost curve of a firm in shirt run is:
   a. Downward sloping
   b. Upward sloping
   c. U shaped
   d. Horizontal straight line

8. The demand curve for a perfectly competitive firm is:
   a. Perfectly inelastic
   b. Downward sloping
   c. Horizontal straight line
   d. Positively sloping

9. Which is most severe degree of Price discriminations?
   a. First degree
   b. Second degree
   c. Third degree
   d. Both first and second

10. The price strategy in which first few units are sold at lower price and others at high price is?
   a. Premium Price Strategy
   b. Economy Price Strategy
   c. Penetration Price Strategy
   d. None of these

11. Wages which are obtained after adjustment of inflation are called:
   a. Nominal wages
   b. Monetary wages
   c. Real wages
   d. None of these

12. Interest is reward for:
   a. Entrepreneur
   b. Labour
   c. Capital
   d. Investment

13. Probability of winning or losing something worthy is known as:
   a. Risk
   b. Uncertainty
   c. Profit
   d. Interest

14. Which among the following is not the method of measuring GDP?
   a. Product Method
   b. Income Method
   c. Expenditure Method
   d. Money Method

15. When the rise in prices is very small such as 3 percent per annum is called:
   a. Creeping inflation
   b. Hyperinflation
   c. Walking inflation
   d. Running inflation

16. Which among the following is not the effect of Inflation on an economy?
   a. Misallocation of resources
   b. Reduction in production
   c. Reduction of savings
   d. Improvement in quality

17. Which among the following is not part of trade cycle?
   a. Recovery
   b. Fluctuation
   c. Contraction
   d. Expansion

18. Asymmetric information means when the buyer and seller have:
   a. Same information
   b. Different information
   c. No information
   d. None of these

19. What is internet marketing?
   a. Marketing of goods and services over internet.
   b. Marketing of goods and services over physical contact.
   c. Marketing of goods and services via advertisement.
   d. None of these.

20. Which among the following is not objective of fiscal policy?
   a. Full employment
   b. Stable price level
   c. Equilibrium in balance of Payments
   d. Money supply

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(PART-B : Descriptive)

Time : 2 hrs. 40 min. Marks : 50

[Answer question no.1 & any four (4) from the rest]

1. What is Monopolistic Competition? Explain the important features of this market structure. 10

2. a. Distinguish between Risk and Uncertainty. 5+5=10
   b. Discuss various methods of measuring National Income.

3. a. What is Inflation and what are its effects on an economy? 4+6=10
   b. Discuss briefly the various degrees of price discriminations practices in economy.

4. a. Discuss briefly the meaning, nature and scope of Business Economics. 6+4=10
   b. Distinguish between Economic costs and Accounting costs.

5. a. What do you mean by Asymmetric Information? 5+5=10
   b. What is Internet Marketing?

6. a. What is Indifference curve? State the properties of Indifference curve. 6+4=10
   b. Explain what is Monetary Policy and various instruments of Monetary Policy.

7. a. Explain what do you mean by Demand Forecasting. 5+5=10
   b. Explain various methods of Demand Forecasting.

8. a. Explain the following concepts: 3+3+4=10
   i) Opportunity cost
   ii) Short run
   b. Explain Variable costs and Fixed costs.

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