

MASTER OF COMMERCE
FIRST SEMESTER [SPECIAL REPEAT]
BUSINESS ECONOMICS
MCM – 101

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

- The price elasticity of demand in case of necessary goods is
 - Elastic
 - Inelastic
 - One
 - Zero
- Which of the following is not a type of e-commerce?
 - B2B
 - B2C
 - C2C
 - 3R
- When the price rises at a rate of 3-4 per cent per annum, the inflation is called
 - Creeping inflation
 - Walking inflation
 - Running inflation
 - Galloping inflation
- When the probability of each possible outcome is not known, it is called
 - Risk
 - Uncertainty
 - Pooling
 - Asymmetric information
- The difference between actual earning and transfer earning is called as
 - Rent
 - Opportunity cost
 - Quasi-rent
 - Income
- The line CC in Hicks' theory of business cycle represents
 - Full employment ceiling
 - Floor path
 - Equilibrium path
 - Induced investment
- The company's intended market space is defined by
 - Market opportunity
 - Competitive advantage
 - Competitive Environment
 - Value proposition
- The longest phase of a trade cycle is
 - Prosperity
 - Recession
 - Depression
 - Recovery
- The slope of the isoquant is measured by
 - MRS_{XY}
 - $MRTS_{LK}$
 - P_X/P_Y
 - E_D

(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

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

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| 1. Discuss the nature and uses of Business Economics. | 10 |
| 2. a) Explain the consequences of adverse selection in a market for cars.
b) How are the good quality cars driven out of the market due to adverse selection? | 5+5=10 |
| 3. a) Explain the characteristics of a business cycle.
b) Explain the prosperity and depression phase of a business cycle. | 5+5=10 |
| 4. a) Explain the kinked demand curve of oligopoly.
b) Explain the properties of isoquant. | 5+5=10 |
| 5. a) What are the unique features of e-commerce or online market?
b) Distinguish between risk and uncertainty. | 7+3=10 |
| 6. a) Explain the situation of shut down point of a firm under perfect competition.
b) Distinguish between economic cost and accounting cost. | 7+3=10 |
| 7. a) Explain the income method of measuring national income.
b) What are the precautions to be adopted in any method of measuring national income? | 7+3=10 |
| 8. a) Explain Hicks' Theory of Business Cycle.
b) What are the problems in case of insurance? | 7+3=10 |

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