

**N.G.M. COLLEGE (AUTONOMOUS) : POLLACHI**

**END-OF-SEMESTER EXAMINATIONS: MAY - 2025**

**B. Com- IB**

**MAXIMUM MARKS: 75**

**SEMESTER: IV**

**TIME: 3 HOURS**

**PART - III**  
**23UIB4A1 – ECONOMIC ANALYSIS**

**SECTION – A**

**(10 X 1 = 10 MARKS)**

**ANSWER THE FOLLOWING QUESTIONS.**

**(K1)**

1. Which of the following states that as a person consumes more of a good or service, the satisfaction or utility gained from each additional unit?  
a. Law of Demand  
b. Law of Variable Proportion  
c. The Law of Diminishing Utility  
d. Law of Diminishing Returns
2. What leads to a small change in price if a consumer's demand for a good is highly elastic?  
a. A large change in quantity demanded  
b. A small change in quantity demanded  
c. No change in quantity demanded  
d. A change in consumer preferences
3. Choose from the following that best describes the law of diminishing returns: \_\_\_\_\_  
a. As more inputs are added, output increases at an increasing rate.  
b. As more inputs are added, output increases at a decreasing rate.  
c. As more inputs are added, output remains constant.  
d. As more inputs are added, output decreases to zero.
4. Select the characteristics of an oligopoly market structure. \_\_\_\_\_  
a. Many firms competing with identical products.  
b. A single firm dominating the market.  
c. A small number of interdependent firms.  
d. Perfectly competitive market conditions.
5. Which of the following theories of wages emphasizes the role of the supply and demand for labor in determining wages?  
a. The Subsistence Theory of Wages  
b. The Marginal Productivity Theory of Wages  
c. The Bargaining Theory of Wages  
d. The Classical Theory of Wages

**ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES**

**(K2)**

6. Define the term “Economics”.
7. Illustrate how price changes affect demand elasticity.
8. Explain the impact of scale of production on cost efficiency.
9. Contrast a competitive market with a monopoly.
10. Indicate the factors that determine wages in an economy.

**(CONTD .... 2)**

**SECTION – B****(5 X 5 = 25 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a) Interpret the scope of economics.

**(OR)**

b) Assess the importance of social responsibility in business success.

12. a) Discover how changes in price affect demand curves.

**(OR)**

b) Show the relationship between demand schedule and law of demand.

13. a) Examine the stages of the Law of Variable Proportion.

**(OR)**

b) Discover the relationship between cost and revenue curves.

14. a) Compare Monopoly and Monopolistic Competition.

**(OR)**

b) Show how firms in an oligopoly influence market prices.

15. a) Assess how interest and profit are determined in the market.

**(OR)**

b) List the factors that influence the pricing of land and capital.

**SECTION – C****(5 X 8 = 40 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K4 (Or) K5)**

16. a) Debate the relevance of Marshall's utility analysis in modern economics.

**(OR)**

b) Classify the different approaches used in economic analysis.

17. a) Determine the impact of income changes on a consumer's demand schedule.

**(OR)**

b) Investigate how consumer surplus changes with a price increase.

18. a) Classify the factors of production.

**(OR)**

b) Outline the key differences between the Law of Diminishing Returns and the Law of Variable Proportions.

19. a) Discuss the key factors influencing pricing under perfect competition.

**(OR)**

b) Investigate the effects of price discrimination on consumer welfare.

20. a) Evaluate the Marginal Productivity Theory in determining wages.

**(OR)**

b) Formulate an argument for or against the efficiency of the wage theory in labor economics.