(FOR THE CANDIDATES ADMITTED **24UIB4A1**

DURING THE ACADEMIC YEAR 2024-2025 ONLY) **REG.NO :**

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

END-OF-SEMESTER EXAMINATIONS: MAY 2026

BCOM IB **MAXIMUM MARKS: 75**

SEMESTER: IV **TIME:3 HOURS**

PART - III

BUSINESS ECONOMICS

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS. **(K1)**

1. Opportunity cost refers to ________
   A) Total cost B) Explicit cost
   C) Next best alternative foregone D) Sunk cost
2. Demand forecasting helps mainly in _________
   A) Price control B) Production planning
   C) Wage determination D) Inflation control
3. Law of diminishing marginal utility applies under ____
   A) Scarcity B) Constant tastes C) Perfect substitutes D) Inferior goods
4. Fixed costs remain constant with _______
   A) Time B) Output level C) Technology D) Revenue
5. Cost-plus pricing is mainly used in _________
   A) Perfect competition B) Monopoly C) Public utilities D) Oligopoly

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES **(K2)**

6. Define Business Economics.
7. State the law of demand.
8. What is the law of diminishing marginal utility?
9. What is break-even point?
10. What is price discrimination?

SECTION – B (5 X 5 = 25 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.
(K3)

11. a) Explain the scope and importance of Business Economics.

(OR)

b) Distinguish between accounting profit and economic profit.

12. a) Discuss the determinants of demand.

(OR)

b) Explain the concept of elasticity of demand with suitable examples.

13. a) Explain the law of diminishing marginal utility.

(OR)

b) Describe the properties of indifference curves.

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14. a) Explain the laws of returns to scale.

(OR)

b) Discuss cost classification with examples.

15. a) Explain price and output determination under perfect competition.

(OR)

b) Discuss the objectives of pricing.

SECTION – C (5 X 8 = 40 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.

(K4 (Or) K5)

16. a) Analyze the Production Possibility Frontier and explain opportunity cost with illustrations.

(OR)

b) Examine different phases of business cycle and their impact on business decisions.

17. a) Analyze demand forecasting methods and their significance for business firms.

(OR)

b) Evaluate the role of equilibrium price in market stability.

18. a) Analyze consumer equilibrium using indifference curve approach with diagram.

(OR)

b) Evaluate the relevance of equi-marginal utility principle in modern consumption decisions.

19. a) Examine the law of variable proportions with suitable examples.

(OR)

b) Analyze break-even analysis and its managerial applications.

20. a) Compare price determination under monopoly and monopolistic competition.

(OR)

b) Critically examine pricing methods adopted by firms in oligopolistic markets.

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