B.A DEGREE (CBCS) EXAMINATION, APRIL 2021

Sixth Semester

Choice Based Core Course - EC6CBT02 - BUSINESS ECONOMICS

Common for B.A Economics Model I, B.A Economics Model II Foreign Trade & B.A Economics Model II Insurance

2017 Admission Onwards

2B6353E8

Time: 3 Hours
Max. Marks : 80

Instructions to Private candidates only: This question paper contains two sections. Answer SECTION I questions in the answer-book provided. SECTION II, Internal examination questions must be answered in the question paper itself. Follow the detailed instructions given under SECTION II

SECTION I

Part A

Answer any ten questions.

Each question carries 2 marks.

1. What is Descriptive method?

2. What is the role of a manager in decision making?

3. Define the concept of Time perspective.

4. Producer's goods

5. Non-durable goods

6. Define demand forecasting.

7. What is Production function?

8. How can cost be classified on the basis of the time?

9. What is economic profit?

10. Define a break-even point.

11. Explain Net Present Value method?

12. Profitability index

<div align="right">(10×2=20)</div>

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*

13. Explain the problem of resource allocation.

14. Explain the relevance of resource allocation in the light of scarcity and choice.

15. What is Law of demand?

16. Discuss the degrees of price elasticity of demand.

17. Distinguish between accounting cost and economic cost.

18. What is Historical cost and Replacement cost?

19. Evaluate different pricing methods.

20. Differentiate between multi product pricing and dual pricing

21. Explain the method of calculating NPV and ARR.

<div align="right">(6×5=30)</div>

Part C

*Answer any **two** questions.*

*Each question carries **15** marks.*

22. Discuss critically the different metnods of demand forecasting.

23. Explain the sales maximization theory.

24. Examine various practical methods of pricing.

25. Explain Investment. State the importance of Capital Budgeting.

<div align="right">(2×15=30)</div>