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(July)

COMMERCE

(Honours)

(**Business Economics**)

(BC-201)

Marks : 75

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. (a) Define a business firm and explain the main objectives of it. 2+6=8
- (b) Discuss the role and responsibilities of a managerial economist. 7
- Or*
- (a) What is the relationship between Business Economics and Statistics as well as Business Economics and Accounting? 4+4=8
- (b) Discuss the scope of business economics and the goals of a firm. 7

2. Write notes on the following : 5×3=15
- (a) Price Elasticity of Demand
- (b) Properties of Indifference Curve
- (c) Demand Forecasting

Or

What do you understand by consumers' behaviour? Explain how a consumer attains equilibrium in terms of cardinal utility approach. What does marginal utility of money imply? 3+10+2=15

3. (a) Explain the law of variable proportions with the help of a schedule and diagram. 7
- (b) Define elasticity of substitution. Describe how to measure elasticity of substitution. 8

Or

What is meant by production function? Using the isoquant map and isocost line, determine the least cost input combination for a firm. 3+12=15

4. (a) Distinguish between the following : 4+4=8
- (i) Implicit cost and Explicit cost
- (ii) Fixed cost and Variable cost
- (b) Show that long-run average cost is the envelope of short-run average cost. 7

(3)

Or

Explain with illustration the salient features of LAC curve and bring out its usefulness in business decision making. Why is it known as the planning curve? 5+5+5=15

5. (a) Distinguish between the features of perfect competition and monopoly. 7
- (b) Write short notes on the following : 4+4=8
- (i) Mark-up pricing
 - (ii) Bilateral monopoly

Or

Define monopolistic competition. What are its main features? Discuss how price and output are determined under monopolistic competition in the short run. 2+3+10=15

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