

**2/H-76 (iv) (Syllabus-2019)**

**2024**

( May/June )

**COMMERCE**

( Honours )

( **Business Economics** )

( BC-201 )

( Under Revised Syllabus )

*Marks : 75*

*Time : 3 hours*

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

1. Explain the role of business economics in decision making. Highlight the goals of a business firm. 8+7=15

*Or*

Discuss the role and responsibilities of a managerial economist. 15

2. Define demand. Explain briefly the determinants of demand. With the help of a diagram explain the concept of change in quantity demanded and change in demand. 2+5+8=15

( 2 )

Or

Write short notes on the following :  $5 \times 3 = 15$

- (a) Demand forecasting
- (b) Total outlay method
- (c) Properties of indifference curve

3. Calculate the Average Product and Marginal Product of a factor from the following table on its Total Product schedule :

Units of labour :	1	2	3	4	5	6
Total product :	50	110	150	180	180	150

From the above table, identify various stages in the change in total product.  $12 + 3 = 15$

Or

Write short notes on the following :  $5 \times 3 = 15$

- (a) Distinction between returns to a factor and returns to a scale
  - (b) Least cost combination of factors
  - (c) Properties of isoquants
4. (a) What is real cost? How does it differ from money cost? Distinguish between explicit cost and implicit cost with examples.  $2 + 2 + 4 = 8$

( 3 )

- (b) Complete the following table : 7

Output	0	1	2	3	4
TC (₹)	60	140	190	240	300
MC (₹)					
AVC (₹)					

Or

"The long-period average cost curve joins the minimum points on the short-period average cost curves." Explain with the help of a diagram. Why is the LAC flatter than the SAC?  $12 + 3 = 15$

5. State the features of a perfectly competitive market. Explain how price is determined under perfect competition.  $5 + 10 = 15$

Or

Differentiate between the firm and the industry. Define monopoly. "A monopolist can either fix the quantity or fix the price. He cannot determine both." Explain and show how price is determined under monopoly.  $3 + 2 + 10 = 15$

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