

**BACHELOR OF COMMERCE [HONS]
THIRD SEMESTER
BUSINESS ECONOMICS
BCM – 301**

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

1. The three basic economic questions are
 - a. What, where, whom
 - b. What, how, whom
 - c. How, whom, when
 - d. What, why, whom
2. Average revenue curve is also known as
 - a. Profit curve
 - b. Demand curve
 - c. Supply curve
 - d. Average cost curve
3. High inflation levels in the economy leads to _____ in the supply of money.
 - a. Increase
 - b. Decrease
 - c. No change
 - d. None of the above
4. The elasticity for unitary demand curves is equal to
 - a. Zero
 - b. Infinity
 - c. One
 - d. None of the above
5. Which of the following markets have a few numbers of firms?
 - a. Oligopoly
 - b. Monopoly
 - c. Perfect competition
 - d. Monopolistic competition
6. Sellers in perfect competition are
 - a. Price maker
 - b. Price taker
 - c. Wealthy
 - d. poor
7. Perfect competition is characterized by all the following except
 - a. Well informed buyers and sellers with respect to price
 - b. No restriction on entry and exit from the industry
 - c. A large number of buyers and sellers
 - d. Considerable advertisement by the individual firms
8. The law of diminishing marginal utility was propounded by
 - a. H.H. Gossen
 - b. Alfred Marshall
 - c. Gossen and Marshall
 - d. None of these
9. Opportunity cost refers to
 - a. Money expenditure incurred on factors
 - b. The imputed value of the inputs owned the firms
 - c. The next best alternative forgone
 - d. None of these

0. Supply curve is the relationship between supply and _____.
 - a. Demand
 - b. Price
 - c. Factors of production
 - d. None of the above
1. At which time all the factors of production may be changed?
 - a. Short run
 - b. Long run
 - c. Very long run
 - d. All the three
2. Law of variable proportion is related to
 - a. Both short run and long run
 - b. Very long run
 - c. Long run
 - d. Short run
3. Fixed cost is also known as
 - a. Variable cost
 - b. Actual cost
 - c. Supplementary cost
 - d. Short term cost
4. Double counting has the effect of
 - a. Underestimating national income
 - b. Distorting national income
 - c. Overestimating national product
 - d. Misleading conclusions about national income
5. The book "An enquiry into the nature and causes of wealth of Nations" was written by
 - a. J.B Say
 - b. Alfred Marshall
 - c. Adam Smith
 - d. A.C. Pigou
6. The welfare definition of economics was developed by
 - a. Alfred Marshall
 - b. K.J. Arrow
 - c. Adam Smith
 - d. A.K. Sen
7. The demand curve is always
 - a. Downward sloping
 - b. Upward sloping
 - c. Horizontal
 - d. Vertical
8. The famous book "Das Capital" was written by
 - a. Adam Smith
 - b. A. Marshall
 - c. Karl Marx
 - d. None of the above
9. Market supply curve is a _____ summation of the individual supply curves
 - a. Horizontal
 - b. Vertical
 - c. Downward sloping
 - d. Upward sloping
10. When the price levels of goods and services are falling continuously , this phenomenon is called
 - a. Deflation
 - b. Inflation
 - c. stagflation
 - d. None of the above

(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

[Answer question no.1 & any four (4) from the rest]

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|---|------------|
| 1. What is price elasticity of demand? What are the different types of elasticity of demand? | 3+7=10 |
| 2. What are the central problems of an economy? Explain. | 10 |
| 3. Explain the law of supply. What are the factors determining the supply? | 4+6=10 |
| 4. What are the conditions necessary for existence of a monopoly market? How a firm under monopoly market attains short run equilibrium. | 3+7=10 |
| 5. What are the assumptions of law of variable proportion? Explain the law with the help of suitable diagram. | 3+7=10 |
| 6. What are the characteristics of a perfectly competitive market? How a firm under perfectly competitive market attains equilibrium with economic profit? | 4+6=10 |
| 7. a) Distinguish between the following concepts
I) Explicit cost and implicit cost
II) Fixed cost and variable cost
III) Short run and long run production function
b) What is diminishing marginal rate of technical substitution? Explain. | 2+2+2+4=10 |
| 8. What is difference between Net Domestic Product (NDP) and National Product? Explain any two methods of measurement of national product. | 2+8=10 |

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