REV-01 MCM/03/08

MASTER OF COMMERCE FIRST SEMESTER [SPECIAL REPEAT] **BUSINESS ECONOMICS** MCM-101

SET Α

2023/08

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Objective

Full Marks: 70

Marks: 20

Time: 30 mins.

 $1 \times 20 = 20$

1. The price elasticity of demand in case of necessary goods is b. Inelastic a. Elastic d. Zero c. One 2. Which of the following is not a type of e-commerce? a. B2B b. B2C d. 3R c. C2C 3. When the price rises at a rate of 3-4 per cent per annum, the inflation is called a. Creeping inflation b. Walking inflation

Choose the correct answer from the following:

- c. Running inflation d. Galloping inflation
- 4. When the probability of each possible outcome is not known, it is called a. Risk

b. Uncertainty

c. Pooling

- d. Asymmetric information
- 5. The difference between actual earning and transfer earning is called as
 - a. Rent

b. Opportunity cost

c. Quasi-rent

- d. Income
- 6. The line CC in Hicks' theory of business cycle represents
 - a. Full employment ceiling

b. Floor path

c. Equilibrium path

- d. Induced investment
- 7. The company's intended market space is defined by
 - a. Market opportunity

b. Competitive advantage

- c. Competitive Environment
- d. Value proposition
- 8. The longest phase of a trade cycle is
 - a. Prosperity

b. Recession

- c. Depression d. Recovery
- 9. The slope of the isoquant is measured by

a. MRSxx c. Px/Py

b. MRTSLK d. ED

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10.	A person who tries to avoid taking risk is known as	
	a. Risk lover	b. Risk neutral
	c. Risk averter	d. Pessimist
11.	Profit is the remuneration for which factor of production?	
	a. Land	b. Labour
	c. Capital	d. Organization
12.	In order to calculate gross variable from net variable, we add	
	a. NFIA	b. Net indirect taxes
	c. Deprecation	d. Subsidy
13.	A market signal in case of asymmetric information in the labour market is	
	a. Education level	b. Warranty
	c. Distance	d. Guarantee
14.	The unique feature of e-commerce of being available everywhere is called	
	a. Ubiquity	b. Global reach
	c. Universal standards	d. Customization
15.	Which one of the following is not a feature of inflation?	
	a. General rise in price level	b. Long run phenomenon
	c. Continuous	d. Small country
16.	Fiscal policies are related to government	
	a. Taxation policies	 b. Expenditure policies
	c. Both	d. None
17.	In case of health insurance, the party which is more aware is the	
	a. Insurer	b. Insured
	c. Market	d. None
18.	A market in which there are a few sellers of a commodity is called as	
	a. Monopoly	b. Monopolistic Competition
	c. Oligopoly	d. Duopoly
19.	When total product is maximum, the value of the marginal product is	
	a. 1	b. Zero
	c. Positive	d. Negative
20.	When a firm can bring its product to the market at a lower price compared to other competitors, it implies	
	a. Competitive environment	b. Competitive advantage
	c. Market strategy	d. Organizational development
	. market strategy	Organizational development

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[<u>Descriptive</u>]

Marks:50 Time: 2 Hr. 30 Mins. [Answer question no.1 & any four (4) from the rest] 10 1. Discuss the nature and uses of Business Economics. 5+5=10 a) Explain the consequences of adverse selection in a market for cars. How are the good quality cars driven out of the market due to b) adverse selection? 5+5=10 Explain the characteristics of a business cycle. Explain the prosperity and depression phase of a business cycle. 5+5=10 a) Explain the kinked demand curve of oligopoly. b) Explain the properties of isoquant. What are the unique features of e-commerce or online market? 7+3=10 5. Distinguish between risk and uncertainty. b) 7+3=10 Explain the situation of shut down point of a firm under perfect a) competition. Distinguish between economic cost and accounting cost. b) 7+3=10 Explain the income method of measuring national income. What are the precautions to be adopted in any method of b) measuring national income? 7+3=10 8. Explain Hicks' Theory of Business Cycle. a) What are the problems in case of insurance?

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