LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – **HONOURS**

SECOND SEMESTER – **APRIL 2025**

UBH 2503 – BUSINESS ECONOMICS

Date: 26-04-2025 Dept. No. Max. : 100 Marks
Time: 01:00 PM - 04:00 PM

	SECTION A - K1 (CO1)
	Answer ALL the Questions **(10 x 1 = 10)**
1.	**True or False**
a)	Business economics primarily focuses on applying economic theories to solve real-world business problems.
b)	An increase in the price of a product always leads to an increase in its demand.
c)	Market equilibrium occurs when the quantity demanded equals the quantity supplied.
d)	A monopoly exists when there are many sellers in a market, each offering a similar product.
e)	Gross Domestic Product (GDP) is a measure of a country's national income.
2.	**MCQ**
a)	Welfare economics primarily focuses on: a) The total profits of businesses b) The efficient allocation of resources to maximize social well-being c) The study of individual consumer behavior d) The impact of marketing strategies on sales
b)	What happens to the quantity supplied of a good when its price increases, assuming all other factors remain constant? a) Quantity supplied decreases b) Quantity supplied increases c) Quantity supplied remains the same d) Quantity supplied fluctuates randomly
c)	Which of the following is a characteristic of monopolistic competition? a) A single seller in the market b) Identical products sold by all firms c) Many sellers offering differentiated products d) No competition in the market
d)	Which of the following is an example of a fixed cost? a) Raw material costs b) Wages paid per hour to workers c) Rent of a factory building d) Electricity bills that vary with production
e)	Which of the following is included in the calculation of national income? a) Household chores b) Unpaid volunteer work c) Wages and salaries d) Black market transactions

	SECTION A - K2 (CO1)
	Answer ALL the Questions **(10 x 1 = 10)**
3.	**Fill in the blanks**
a)	Welfare economics focuses on the _______ and distribution of resources to maximize social well-being.
b)	According to the law of demand, when the price of a good increases, the quantity demanded _______.
c)	Economies of scale occur when increasing production leads to a _______ in the average cost per unit.
d)	The strategy of setting a high initial price for a new product and then gradually lowering it is called _______ pricing.
e)	Expenses that are not directly tied to production, such as rent and administrative salaries, are called _______ expenses.
4.	**Answer the following**
a)	Write a note on Implicit cost.
b)	Explain perfect competition.
c)	What is Producer's Equilibrium?
d)	What is break-even point?
e)	Define National Income.
	SECTION B - K3 (CO2)
	Answer any TWO of the following in 100 words each. **(2 x 10 = 20)**
5.	Identify the concept of efficiency.
6.	Compute the law of supply with a graph.
7.	Categorize the factors affecting Consumer Behaviour.
8.	Sort the Indifference curve analysis with suitable graph.
	SECTION C – K4 (CO3)
	Answer any TWO of the following in 100 words each. **(2 x 10 = 20)**
9.	Analyse the Importance and scope of Business Economics.
10.	Inspect the determinants of demand and supply.
11.	Explicate the law of variable proportion with diagram.
12.	Inference the Laws of returns to scale.
	SECTION D – K5 (CO4)
	Answer any ONE of the following in 250 words **(1 x 20 = 20)**
13.	Interpret the Equi-marginal utility with suitable schedule and diagram.
14.	Recommend the various methods of determination of National Income.
	SECTION E – K6 (CO5)
	Answer any ONE of the following in 250 words **(1 x 20 = 20)**
15.	Elaborate the concept of "Law of Diminishing marginal utility" with assumptions and limitations.
16.	Construct the Price and output determination under Monopoly.

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