E 1969 (Pages : 2) Reg. No.....

Name.....

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, APRIL 2021

Sixth Semester

Complementary Course II—PRINCIPLES OF BUSINESS DECISIONS

(For Model I B.Com.)

[2013—2016 Admissions]

Time : Three Hours Maximum Marks : 80

Part A

Answer **all** *questions.*
Each question carries 1 *mark.*

1. Define Managerial Economies.
2. Explain the concept of Marginal Utility.
3. Distinguish between Individual demand and Market demand.
4. State the nature of elasticity of demand of the following products :
   (a) Salt ; (b) Cigarettes.
5. Define production function.
6. What is meant by variable inputs ?
7. What is sunk cost ?
8. Define break-even point.
9. Define monopoly.
10. Explain the meaning of the term "depression".

(10 × 1 = 10)

Part B

Answer any **eight** *questions.*
Each question carries 2 *marks.*

11. Distinguish between Fiscal Policy and Monetary Policy.
12. What do you mean by Financing decisions ?
13. State any four limitations of the law of equi-marginal utility.
14. What is Consumer's surplus ?
15. Explain trend projection method of forecasting.
16. What is meant by "marginal product" ?

Turn over

17. Distinguish between explicit and implicit costs.
18. Calculate break-even points from the following :

    Sales Rs. 20,000, Variable costs Rs. 10,000, Fixed costs Rs. 6,000.
19. State the advantages of cost-plus pricing.
20. Distinguish between Perfect competition and Pure competition.
21. What is meant by product differentiation.
22. Explain the psychological theory of business cycle.

(8 × 2 = 16)

Part C

Answer any **six** *questions.*
Each question carries 4 *marks.*

23. What are the various types of management decisions ? Explain.
24. State and explain the law of demand.
25. Explain the managerial use of production function.
26. Explain the law of variable proportions.
27. Explain the short-run cost output relation with the help of diagrams.
28. What are the conditions of price discrimination ?
29. Explain price leadership.
30. Explain how price and output decisions are taken under conditions of oligopoly.
31. Discuss the various phases of a business cycle. Explain its characteristics.

(6 × 4 = 24)

Part D

Answer any **two** *questions.*
Each question carries 15 *marks.*

32. Explain the concept of income elasticity of demand and explain its role in business decisions.
33. State the law of returns to scale. Explain the concept of optimum input combinations.
34. Discuss the assumptions and limitations of break-even analysis.
35. Explain the various features of a perfectly competitive market. How is price of a commodity determined under it ?

(2 × 15 = 30)