E 3433 (Pages : 3) Reg. No.....

Name.....

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH/APRIL 2012

Sixth Semester

PRINCIPLES OF BUSINESS DECISIONS

(For Model—I B.Com.)

Time : Three Hours Maximum Weight : 25

Answers may be written **either** *in English* **or** *in Malayalam.*

Section A

This Section consists of **four** *bunches of* **four** *questions each.*
Each bunch carries a weight of 1.

Answer **all** *questions.*

I. Choose the correct answer from the choice given below :

1. Welfare definition of economics is contributed by :
   (a) Alfred Marshall. (b) Adam Smith.
   (c) Robbins. (d) Carlyle.
2. The demand for necessaries is ———.
   (a) Elastic. (b) Inelastic.
   (c) Perfect elastic. (d) Uniform elastic.
3. Demand for producers goods are ——— demand.
   (a) Direct. (b) Derived.
   (c) Autonomous. (d) Durable.
4. Which one is a downward movement of business cycle ?
   (a) Recession. (b) Recovery.
   (c) Boom. (d) None.

II. Fill up the blanks :

5. The total quantity that all the consumers demand in the market is termed as ——— demand.
6. The practice of charging different price for the same product is termed as ———.
7. Existence of large number of buyers and sellers dealing in differentiated product is a feature of ——— market.
8. ——— cost is those cost which are incurred when plant operation is suspended.

Turn over

III. State whether True *or* False :

9. Micro economics is the study of the economy as a whole.
10. Cost plus pricing is useful only for single product firms.
11. Marginal Product remains constant in the third stage of the law of diminishing returns.
12. Shift in demand does not result in a new demand curve.

IV. Match the following :

13. Substitution effect	—	Inferior goods.
14. Giffens goods	—	Business cycle.
15. Trend projection	—	Law of demand.
16. Wave like movement	—	Demand forecasting.

(4 × 1 = 4)

Section B

Answer any **five** *questions.*
Each question carries 1 *weight.*

17. What is price leadership ?
18. What is meant by extension in demand ?
19. Distinguish between durable and non-durable goods.
20. What is law of demand ?
21. What is duopoly ?
22. Explain Marginal cost.
23. How will you determine average cost ?
24. What is cross elasticity ?

(5 × 1 = 5)

Section C

Answer any **four** *questions.*
Each question carries 2 *weights.*
Answer should not exceed **half** *a page.*

25. What is Price Discrimination ? What are the different types of price discrimination ?
26. What are the techniques of demand forecasting of a new product ?
27. Explain the phases of Business Cycle.
28. Explain the law of Returns to scale.
29. What is ISOQUANT ? Give its properties.
30. How will you determine Advertisement elasticity ?

(4 × 2 = 8)

Section D

Answer any **two** *questions.*
Each question carries 4 *weights.*
Answer not to exceed **four** *pages.*

31. What is Monopolistic Competition ? How price and output are determined under Monopolistic Competition ?

32. What is Price elasticity ? What are the important price elasticity concepts ?

33. What is decision making ? Narrate the different types of decisions. Explain the economic theories which can be used in decision making.

(2 × 4 = 8)