E 5083 (Pages : 3) Reg. No.....

Name.....

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, APRIL 2013

Sixth Semester

Complementary Course-2—PRINCIPLES OF BUSINESS DECISION

(For Model I B.Com. only)

Time : Three Hours Maximum Weight : 25

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

Section A

This section consists 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 Wealth definition of economics is contributed by :

(a) Alfred Marshall. (b) Adam Smith.

(c) Bobbins. (d) Carlyle.

2 The economic process through which human wants are satisfied.

(a) Production. (b) Consumption.

(c) Distribution. (d) Employment.

3 The pricing method that helps to avoid price wars :

(a) Break -even point pricing. (b) Going rate Pricing.

(c) Target return pricing. (d) Marginal rate pricing.

4 Boom phase is also known as ——— phase.

(a) Recession. (b) Depression.

(c) Prosperity. (d) Recovery.

II. Fill in the blanks :

5 The want satisfying capacity of a product is called ———.

6 The rate at which the demand increase when there is an increase in the income is termed as ———.

7 ——— express technological relationship between input and output.

8 ——— pricing policy is adopted when a product meant for higher income group is introduced in the market.

Turn over

III. State whether "True" *or* "False" :

9 Luxury goods have income elasticity greater than one.

10 Demand for consumer goods is indirect demand.

11 Isoquants show production function with three variable inputs.

12 Study of national income is an area of microeconomics.

IV. Match the following :

13 Rise and fall in the levels of business — Demand forecasting.

14 Arc Method — Complimentary goods.

15 Expert opinion method — Business cycle.

16 Tyre and tube — Price elasticity.

(4 × 1 = 4)

Section B

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

17 What is product line pricing ?

18 What do you mean by shift in demand ?

19 Give examples for Veblen Commodities.

20 What is Demand Schedule ?

21 What is full cost pricing ?

22 What is production function ?

23 Explain opportunity cost.

24 What do you mean by Marginal Revenue ?

(5 × 1 = 5)

Section C

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

25 Explain kinked demand curve with illustration.

26 What is Price elasticity ? Explain the determinants of price elasticity.

27 Reveal the uses of business cycle in business decisions.

28 Explain the law of diminishing returns.

29 How will you determine optimum input combination ?

30 What is income elasticity of demand ?

(4 × 2 = 8)

Section D

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

31 What are the features of perfect competition ? Explain how price is determined under Perfect Competition.

32 What is demand forecasting ? Explain the methods used for forecasting of demand.

33 Define Decision-making. Explain the steps involved in decision-making.

(2 × 4 = 8)