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Reg. No.................................

Name....................................

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2015

Sixth Semester

Complementary Course 11—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.*

Part 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 choices given below :

1 Samuelson's definition of economics is known as :

(a) Wealth definition.
(b) Welfare definition.
(c) Growth definition.
(d) Scarcity definition.

2 An increase in demand can result from :

(a) A decline in market price.
(b) An increase in income.
(c) An increase in the price of complements.
(d) All of the above.

3 Isoquants explain production function with :

(a) All inputs.
(b) Two variable inputs.
(c) Two fixed inputs.
(d) One variable and one fixed inputs.

4 No profit no loss pricing is known as :

(a) Cost plus pricing.
(b) Break-even pricing.
(c) Marginal cost pricing.
(d) Going rate pricing.

II. Fill in the blanks :

5 Monetary policies are credit control measures adopted by Central bank of a country

6 The practice of charging high price in the beginning is called Price skimming

7 The practice of charging different price for the same product is termed as Price discrimination

8 ——— method is used to measure elasticity of demand for small charges in price.

Percentage or point method.

Turn over

III. State whether the following statements are True *or* False :

9 Downward shift in demand is known as decrease in demand. True

10 During the boom phase of business cycle, the price and general business activity is below the normal. False

11 Under price skimming, the price of the product will be very low. False

12 Isquant curve are also known as different product curves. False.

III. Match the folowing :—

	A		B
13	Least cost input combination	(a)	Joseph Shumpeter.
14	Demand forecasting	(b)	Discounting principle
15	Time value of money	(c)	A.C. Pigou.
16	Innovation theory	(d)	Regression analysis. 14
		(e)	Producer's equilibrium. 13
		(f)	Cobb Douglas.

(4 × 1 = 4)

Part B

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

17 State the Law of Demand.

18 Explain the term "derived demand".

19 What is cross elasticity of demand ?

20 What is production function ?

21 What is sunk-cost ?

22 Write a short note on the features of perfect competition.

23 Define Monopoly.

24 What is meant by depression ?

(5 × 1 = 5)

Part C

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

25 Discuss briefly the different degrees of price elasticity.

26 Discuss the different statistical methods of demand forecasting.

27 What are internal economics of scale ?

28 Examine the various stages in the life-cycle of product.

29 What is price discrimination ? When is it possible and profitable ?

30 What are the evil effects of business cycle ?

(4 × 2 = 8)

Part D

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

31 Discuss the main features of monopolistic competition and show how price is determined under it.

32 What is short run cost analysis ? For what type of decisions is it useful.

33 How does the analysis of demand contribute to business decision making ?

(2 × 4 = 8)