I Semester M.Com. Degree Examination, June 2023
(CBCS)
(2020-21 and Onwards)
COMMERCE
Paper – 1.3 : Principles and Practices of Business Decisions

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any seven** questions out of ten. **Each** question carries **two** marks :

(7×2=14)

1. a) Mention any two sources of Public Revenue.

   b) Under what conditions can we expect to find a perfectly competitive firm with greater than normal profit ?

   c) Is the slope of a demand curve the same as its elasticity ? Justify.

   d) Draw isoquants if the factors are perfect complement.

   e) Give two examples of linear homogenous production function.

   f) List out assumptions of perfect competition.

   g) What is debt trap ?

   h) Define cross elasticity of demand.

   i) Write any two limitations of cardinal utility approach to consumer choice.

   j) Is persistent dumping good or bad for the receiving country ? Comment.

SECTION – B

Answer **any four** questions out of six. **Each** question carries **five** marks :

(4×5=20)

2. Managerial economics is a tool for improving management decision making. Elaborate.

3. Explain how Indian economy transformed from a mixed socialist economy to a mixed capitalist economy.

4. What is public expenditure ? What are the canons of public expenditure ?

5. What is income elasticity of demand ? If the income elasticity of demand is positive what does it indicates ?

6. Prove that price is always equal to marginal cost under perfect competition.

7. Explain the major pricing practices being commonly used in India with suitable examples.

SECTION – C

Answer **any two** questions out of four. **Each** question carries **twelve** marks :

(2×12=24)

8. Explain the concepts of national income. What are the difficulties in measuring national income ?

9. How does a producer choose an optimal input combination to maximize output, subject to a given cost ? Discuss.

10. In what way the three degree of price discrimination different from each other ? In the Indian business environment, what firms would you like to categorize under each degree of price discrimination ?

11. How elasticity is useful in managerial decision making ? Discuss.

SECTION – D

12. Answer the following questions (**Compulsory**) : (1×12=12)

One of the workers, Sunil Pawar is a worker in the Production Department and works as a driller. He is in the company for past five years and all the while he has been working as a driller only. His record of service has been generally good, except for one warning for remaining absent for two days without permission. In the early years of service, he used to be rude to his superiors and quarrelsome

with his co-workers. But there is nothing about this on the record, because no serious view was taken about this by the superiors. In the past eight months, since the new management took over the control of Neptune Engineering Company, there is a change in the policy. The new management has taken a stricter approach in enforcing discipline.

One day, at 8 p.m., at the time of starting of the shift Sunil went to his supervisor saying that some guests has arrived unexpectedly at his house in the morning and he wanted leave for that day. The supervisor told him that since few more workers were already absent in the Department he could not grant him, leave. Instead he asked Sunil to work on the press machine. On that day because the regular press operator had not come and there was a large backlog which must be cleared today. Sunil declined to obey the instruction. He said, "I will work on my machine only and not on any other machine", and he went to his usual drilling machine. After some time he left a leave application on the supervisor table. He was not seen on the shop floor throughout the day.

The supervisor had reported the case to his manager and the manager wants your opinion as the Senior Consultant to the company.

Questions :

1) Identify the problem in this case and comment on the events that have taken place.

2) Suggest the course of action for the above problem.