

B.Com. (Part-I) (Business Information & System Management) Semester-II (CBCS)

Examination

BUSINESS ECONOMICS

Time : Three Hours]

[Maximum Marks : 80

Note :— All the sections are compulsory.

SECTION – A

1. Statement type Multiple Choice Questions :

- (1) Statement I : Microeconomics focuses on the individual units that make up the economy, such as households and firms.

Statement II : Macroeconomics examines the economy, looking at aggregate measures such as GDP and unemployment. 2

- (A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statement I and II are correct
(D) Both Statement I and II are incorrect

- (2) Statement I : Demand refers to the quantity of a good or service that consumers are willing and able to buy at a given price.

Statement II : Supply refers to the quantity of a good or service that producers are willing and able to sell at a given price. 2

- (A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statement I and II are correct
(D) Both Statement I and II are incorrect

- (3) Statement I : Elasticity of demand measures how much quantity demanded changes in response to a change in price.

Statement II : Utility refers to the Dissatisfaction or pleasure derived from consuming a good or service. 2

- (A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statement I and II are correct
(D) Both Statement I and II are incorrect

- (4) Statement I : Production analysis involves studying the relationship between inputs (factors of production) and outputs (goods and services produced).

Statement II : Monopolistic competition is a market structure with many buyers and sellers, homogeneous products, and easy entry and exit. 2

- (A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statement I and II are correct
(D) Both Statement I and II are incorrect

- (5) Statement I : Fiscal policy involves government decisions on spending, taxation, and borrowing to influence the economy.
- Statement II : Gross Domestic Product (GDP) is the total value of all final goods and services produced within a country's borders in a given period. 2
- (A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statement I and II are correct
(D) Both Statement I and II are incorrect
- (6) Statement I : The central bank is responsible for controlling a country's monetary policy and regulating its banking system.
- Statement II : Inflation is the rate at which the general level of prices for goods and services rises, leading to a decrease in purchasing power. 2
- (A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statement I and II are correct
(D) Both Statement I and II are incorrect
- (7) Statement I : The balance of payments is a record of all economic transactions between residents of a country and the rest of the world over a specific period.
- Statement II : Trade policy includes measures such as tariffs, quotas, and subsidies that governments use to regulate international trade. 2
- (A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statement I and II are correct
(D) Both Statement I and II are incorrect
- (8) Statement I : The World Trade Organization (WTO) is an international organization that deals with the rules of trade between nations.
- Statement II : Dumping occurs when a country sells goods in another country at a price lower than its domestic price or production cost. 2
- (A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statement I and II are correct
(D) Both Statement I and II are incorrect
- (9) Statement I : Business cycles are characterized by four phases : expansion, peak, contraction, and trough.
- Statement II : Economic forecasting uses statistical models and analysis to predict Present economic trends. 2
- (A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statement I and II are correct
(D) Both Statement I and II are incorrect

- (10) Statement I : Emerging economic trends and challenges can present both opportunities and threats to business.

Statement II : Business need to stay agile and adapt to changing economic conditions to remain competitive. 2

- (A) Only Statement I is correct
(B) Only Statement II is correct
(C) Both Statement I and II are correct
(D) Both Statement I and II are incorrect

SECTION – B

2. Short Answer Questions :

- (1) What is the difference between microeconomics and macroeconomics ? 4

OR

Describe the concept of supply and demand and how it affects price determination in a market.

- (2) Define consumer behavior and utility. How are these concepts related ? 4

OR

Explain the concept of elasticity of demand. How is price elasticity of demand calculated ?

- (3) Define National Income and GDP. How are these measures related ? 4

OR

Explain the concepts of unemployment and inflation. What are the different types of unemployment ?

- (4) What are exchange rates and how do they influence International Trade ? 4

OR

Describe the balance of payments and its components.

- (5) Define business cycles and explain their impact on businesses. 4

OR

How do businesses use economic forecasting to make strategic decisions ?

SECTION – C

Long Answer Questions

1. Discuss the different types of economic systems, such as capitalism, socialism, and mixed economies. 8

OR

Explain the key economic concepts of scarcity, opportunity cost, and marginal analysis.

2. Explain the concept of elasticity of supply. What factors determine the elasticity of supply for a product ? 8

OR

Describe the different types of market structure, such as perfect competition, monopoly, monopolistic competition, and oligopoly.

3. Explain the causes and consequences of unemployment and inflation. 8

OR

Describe the roles of fiscal policy and monetary policy in influencing the economy.

4. Discuss the benefits of globalization for economies around the world. How has globalization impacted trade policy ? 8

OR

Explain the concept of economic integration and provide examples of different levels of integration.

5. Explain how economic factors such as interest rates, inflation, and GDP growth influence strategic planning in businesses. 8

OR

Discuss some emerging economic trends and challenges that businesses may face in the future.