

Reg. No.

--	--	--	--	--	--	--	--	--	--



CMS 402

First Semester M.Com. Degree Examination, December 2018
(Choice-Based Credit System)
COMMERCE
Business Economics

Time : 3 Hours

Max. Marks : 70

SECTION – A

Note : Answer **any four** questions out of seven, **each** question carries **10** marks, the answer to **each** question should **not** exceed **4** pages. **(10×4=40)**

1. Define business economics. Differentiate between positive and normative economics.
2. Explain the factors determining GDP of Indian economy.
3. What is meant by price elasticity of demand ? Explain the significance of price elasticity of demand.
4. What is meant by direct and indirect cost ? Explain the factors determining the cost.
5. Define market. Differentiate between pure and perfect competition.
6. Explain the role of cost in pricing with suitable examples.
7. Explain the effects of cyclical fluctuations on business firms.

SECTION – B

Answer **any two** questions out of three questions, **each** question carries **15** marks, the answer to the **each** question should **not** exceed **7** pages. **(15×2=30)**

8. What is meant by economies of scale ? Explain the internal and external economies of scale.
 9. Explain the firm's equilibrium in short run and long run under monopoly competition.
 10. What is meant by economic profit ? Explain the Innovation theory of profit with suitable examples.
-