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**FACULTY OF COMMERCE**

**B.Com. (CBCS) I – Semester Examination, May / June 2018**

**(Common Paper for General/Computers/Computer Applications/ Foreign Trade and Tax Procedure Courses)**

**Business Economics**

**Paper Code-BC-105**

**Time : 3 hours**

**Max. Marks :**

**Part – A (5 X 4 = 20 Marks)**

**Note : Answer any Five of the following questions.**

- 1 Non Economic Activity
- 2 Price Theory
- 3 Cross Demand
- 4 Supply Function
- 5 Cobb-Douglass Production Function
- 6 Marginal Cost
- 7 Break Even Point (BEP)
- 8 Derived Demand

**Part – B (5 X 12 = 60 Marks)**

**Note : Answer the following questions not exceeding FOUR pages each.**

- 9 a) What is meant by Business Economics? Explain the Nature and Scope of Business Economics.  
**OR**  
b) Briefly explain the Law of Substitution / Equi-marginal utility .
- 10 a) What do you mean by demand ? Why does demand curve slopes downwards? Briefly explain it.  
**OR**  
b) Define Price Elasticity of Demand. Explain the methods of its measurement.
- 11 a) What is meant by indifference Curve? What are its properties?  
**OR**  
b) Explain the Consumer Surplus theory.
- 12 a) Briefly explain the Law of variable proportions and its significance.  
**OR**  
b) Explain the producer equilibrium through ISO QUANTS and ISO COST Line.
- 13 a) Briefly explain the Long Run Average Cost Curve and its characteristics.  
**OR**  
b) What is meant by Cost? Explain different types of cost.