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Reg. No.....

Name.....

**B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, OCTOBER 2017**

**Third Semester**

**PRINCIPLES OF BUSINESS DECISIONS**

(For UGC Sponsored B.Com. Taxation)

(2013 Admission onwards)

Time : Three Hours

Maximum Marks : 80

**Part A (Short Answer Questions)**

*Answer all questions.*

*Each question carries 1 mark.*

1. What are isoquants ?
2. What is Delphi technique ?
3. What is abandonment cost ?
4. Define equilibrium price.
5. What is meant by perfect competition ?
6. What is meant by fiscal policy ?
7. What is business cycle ?
8. What is contraction ?
9. What is duopoly ?
10. What is cross elasticity ?

(10 × 1 = 10)

**Part B**

*Answer any eight questions.*

*Each question carries 2 marks.*

11. Explain the opportunity cost concept.
12. State the importance of break even pricing.
13. What do you mean by psychological pricing ?
14. What do you mean by technical economies ?
15. What is shift in demand ?
16. Compare private cost with social cost.

**Turn over**

17. What are the evils of monopoly ?
18. What are giffen goods ?
19. Explain Diminishing marginal utility.
20. What is Delphi method of demand forecasting ?
21. What are the different types of demand ?
22. What do you mean by economies of scale ?

(8 × 2 = 16)

### Part C (Short Essays)

*Answer any six questions.  
Each question carries 4 marks.*

23. Explain Keynesian theory of business cycle.
24. Explain how business forecasting help business executives.
25. Mention the features of fixed cost and marginal cost.
26. What are the important guidelines in price fixation ?
27. Explain the pricing strategy of new products.
28. Explain iso-quants and iso-cost curves ?
29. How is demand classified ? Explain each one of them.
30. Define economics. Explain the significance of economics.
31. What do you mean by decision-making ? What are the steps in decision-making ?

(6 × 4 = 24)

### Part D (Long Essays)

*Answer any two questions.  
Each question carries 15 marks.*

32. What do you mean by managerial economics ? Explain the scope of managerial economics ?
33. Define the concept of elasticity of demand. Discuss the various methods of measuring the elasticity of demand.
34. What is demand forecasting ? Explain in brief the various methods of forecasting demand for
  - (i) Establishes products and
  - (ii) New products.
35. What are the features of perfect competition ? Examine how does a firm adjust its under perfect competition ?

(2 × 15 = 30)