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I Semester M.Com. Degree Examination, June/July - 2022

COMMERCE

Principles of Business Decisions

(CBCS Scheme)

Paper : 1.3

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answer all the sections.

SECTION - A

Answer any **Seven** questions out of **Ten**. Each question carries **Two** marks. (7×2=14)

1. a) Define the term Managerial Economics.
- b) What is Economic System?
- c) State any four salient feature of perfect market.
- d) What do you mean by Public Finance?
- e) What is tax evasion?
- f) State the different sources of public borrowing.
- g) What is economies of scale?
- h) What is meant by Law of return?
- i) What do you mean by Transfer pricing?
- j) Define the term 'Cross Elasticity'.

SECTION - B

Answer any **Four** questions out of **Six**. Each question carries **Five** marks. (4×5=20)

2. Write a short note on computation of National Income.
3. What are the recent policy changes in direct and indirect tax.
4. Explain briefly the cost theory and estimation.
5. Differentiate between Skimmed Pricing from Penetration Pricing.

[P.T.O.]



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6. Explain the importance of elasticity of demand.
7. Calculate Total Product, Marginal Product and Average Product using the following details

No. of variables input	Total Product	Marginal Product	Average Product
3	-	18	30
4	-	20	-
5	130	-	-
6	-	5	-
7	-	-	19.5

SECTION - C

Answer any **Two** questions out of **Four**. Each question carries **Twelve** marks. $(2 \times 12 = 24)$

8. Discuss in detail the concept of GDP, GNP, NDP and NNP.
9. Critically evaluate the methods of debt redemption process.
10. Discuss the concept of pricing over product life cycle and its defensive strategies.
11. Write an explanatory note on usage of elasticity in Managerial decisions.

SECTION - D

Compulsory Skill Based Question on Subject/Paper.

$(1 \times 12 = 12)$

12. Explain the effect on inflation on cost and revenue and its impact on business decisions.
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I Semester M.Com. Degree Examination, May - 2023**COMMERCE****Principles of Business Decision****(CBCS Scheme)****Paper : 1.3****Time : 3 Hours****Maximum Marks : 70****SECTION - A****Answer any Seven questions out of Ten. Each question carries Two marks. (7×2=14)**

1. a) Define Macro Economics.
- b) What is managerial economics?
- c) Explain Regressive tax.
- d) Write 4 canons of public expenditure.
- e) What is production function?
- f) State law of returns to scale.
- g) When is Price discrimination possible?
- h) Give the meaning of Skimmed Pricing.
- i) Write the formula of Mid Point Elasticity.
- j) What do you mean by conspicuous goods?

SECTION - B**Answer any Four questions out of Six. Each question carries Five marks. (4×5=20)**

2. Define Elasticity of demand and calculate price elasticity of demand using Mid Point Elasticity method from the following.

Price (Rs. Per unit)	Expenditure (Rs.)
10	500
12	450

3. Explain in brief scope of Managerial Economics.

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4. Give a brief note on the Canons of Taxation.
5. Briefly explain the exceptions to the Law of Demand.
6. Draw Average Cost, Average Variable Cost and Marginal Cost curves on a single diagram and explain their relations.
7. From the following data, calculate Total Product, Marginal Product and Average Product.

No. of Variable input	Total Product	Marginal Product	Average Product
3	-	18	30
4	-	20	-
5	130	-	-
6	-	5	-
7	-	-	19.5

SECTION - C

Answer any Two questions out of Four. Each question carries Twelve marks. (2×12=24)

8. What is National Income? Explain the problems in computation of National Income.
9. Write a note on
 - a) Types of Taxation Systems
 - b) Debt Trap
10. What are the factors involved in formulating pricing policy. Explain different pricing methods.
11. Calculate TFC, TVC, ATC, AFC, AVC and MC from the following data

Output in units	0	1	2	3	4	5	6	7
Total Cost in Rs	50	70	100	120	135	150	160	165



SECTION - D

Compulsory Skill based question on Subject/Paper

(1×12=12)

12. Determine how the following changes (or shifts) will affect market demand curve for a product.
- a) A new steel plant comes up in Jharkhand, people who were previously unemployed in the area are now employed. How will this affect the demand for basic mobile phones and smart mobile phones.
 - b) In order to encourage tourism in Goa. The GOI suggests Indian Airlines to reduce air fare to Goa from the four major cities-Chennai, Kolkata, Mumbai and New Delhi. If the Indian Airlines reduces the fare to Goa. How will this affect the market demand curve for air travel to Goa?
 - c) There are train and bus services between New Delhi and Jaipur. Suppose the train fare between the two cities comes down. How will this affect demand curve for bus travel between the two cities.
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I Semester M.Com. Degree Examination, April/May - 2024

COMMERCE

Principles of Business Decision

(CBCS Scheme)

Paper : 1.3

Time : 3 Hours

Maximum Marks : 70

SECTION - A

I. Answer any SEVEN questions out of Ten. Each question carries 2 marks. (7×2=14)

1. a) What is Macro Economics? Give an example of a Macro Economic variable.
- b) What is GNP? How is it different from NNP.
- c) Distinguish between Direct and indirect taxes.
- d) What is debt trap?
- e) What are economics of scale?
- f) What are the types of price discrimination?
- g) What are dumping strategies?
- h) What is consumer Sovereignty?
- i) Distinguish between Durable and non-durable products with examples.
- j) State the law of Demand.

SECTION - B

II. Answer any FOUR questions out of Six. Each question carries 5 marks. (4×5=20)

2. Explain the Problems in computation of National Income.
3. What are the canons of taxation?
4. Give a diagrammatic representation of the laws of Returns to scale and explain through a diagram.
5. Explain the determinants of Pricing policy.

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6. Bring out the importance of elasticity of Demand Concept in Managerial decisions.
7. Explain different methods of debt redemption.

SECTION - C

III. Answer any TWO questions out of Four. Each question carries 12 marks. (2×12=24)

8. Explain the nature and scope of Managerial Economics.
9. Explain the effects of taxation on production, consumption and distribution side of the economy.
10. Explain different pricing methods.
11. What is Demand forecasting? Explain the techniques of Demand forecasting.

SECTION - D

IV. Answer the following question.

(1×12=12)

12. EV is the order of the day and the world is moving towards 'Net Zero world'. How do you go about pricing a bike keeping in mind the various pricing strategies. Which of it best suits your product and why?
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