

C 21758

(Pages : 3)

Name.....

Reg. No.....

**SIXTH SEMESTER B.A. DEGREE (SUPPLEMENTARY/IMPROVEMENT)
EXAMINATION, MARCH 2017**

(UG-CCSS)

Economics

EC 6E 03—ECONOMICS OF BUSINESS AND FINANCE

(2013 Admissions)

Time : Three Hours

Maximum : 30 Weightage

Part A

Objective Type Questions :

Answer all four questions.

1. Survey is an important method of :
 - (a) Statistical demand forecasting.
 - (b) Long run demand forecasting.
 - (c) Short run demand forecasting.
 - (d) Time series demand forecasting.
2. Cobb-Douglas production function is homogeneous of degree :
 - (a) One.
 - (b) Two.
 - (c) Zero.
 - (d) Infinity.
3. Opportunity cost is an example of :
 - (a) Actual cost.
 - (b) Business cost.
 - (c) Explicit cost.
 - (d) Implicit cost.
4. A project proposal is rejected when :
 - (a) $NPV = 0$.
 - (b) $NPV < 0$.
 - (c) $NPV > 0$.
 - (d) $NPV > = 0$.

Fill in the blanks :

Answer all four questions.

5. _____ technique helps to forecast the cause and effect relationship between the quantity demanded of a product and its price.
6. Cost function shows the relationship between _____ and _____.
7. _____ is the number of years required for the stream of cash proceeds from a project over a period to become equal to the cost of the initial cash outlay on the project.
8. Today's value of a future sum of money is called _____ of money.

Turn over

True or False :

Answer all four questions.

9. Linear homogenous production function exhibits constant returns to scale.
10. Long-run marginal cost curve is known as envelope curve.
11. Cartel is an example of non-collusive oligopoly.
12. Profitability index method is a discounting cash flow technique of capital budgeting.

(12 × ¼ = 3 weightage)

Part B (Short Answer Type Questions)

Answer all questions.

Each question carries 1 weightage.

13. Briefly explain the expert opinion method.
14. Define the marginal product of a variable factor.
15. Define constant returns to scale.
16. What is meant by break-even point ?
17. Explain barometric price leadership.
18. What is Peak load pricing ?
19. What is capital budgeting ?
20. Define IRR.
21. What is a financial statement ?

(9 × 1 = 9 weightage)

Part C (Short Essay Type Questions)

Answer any five questions.

Each question carries 2 weightage.

22. What are the trend projection methods of demand forecasting ?
23. Explain the law of diminishing returns.
24. Explain graphically the relationship between long-run average cost curve and short-run average cost curves.
25. Explain economies of scale.
26. Discuss the different types of price discrimination.
27. Write a note on the different types of cartels.
28. What are the limitations of a balance sheet ?

(5 × 2 = 10 weightage)

Part D (Essay Type Questions)

*Answer any **two** questions.*

Each question carries 4 weightage.

29. Explain the methods of capital budgeting.
30. What are the various methods adopted in the pricing of a product ?
31. Discuss the techniques of demand forecasting.

(2 × 4 = 8 weightage)