

2/H-76 (iv) (Syllabus-2015)

2 0 1 6

(April)

COMMERCE

(Honours)

(Business Economics)

Marks : 75

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. Define business economics. Explain the nature and scope of business economics.

3+12=15

Or

What are the goals of a business firm? Explain the role and responsibility of a managerial economist in the decision-making process of a business firm. 5+10=15

2. State and explain the law of demand with its inherent assumptions. Differentiate between change in quantity demanded and change in demand. Why does the demand curve slope downward?

5+5+5=15

(2)

Or

What is price elasticity of demand? Explain briefly the various factors that determine price elasticity of demand. How is the price elasticity of demand measured on an arc of a demand curve? $3+6+6=15$

3. Explain the law of variable proportion. In which stage of production does a rational producer produce and why? $10+5=15$

Or

What is an isoquant? Prove that—

- (a) two isoquants can never intersect each other;
(b) an isoquant is always convex to the point of origin. $3+6+6=15$

4. Explain diagrammatically the various short-run and long-run cost concepts that are commonly used in the theory of price and output determination of a business firm. 15

Or

Explain the concepts of engineering cost curve. How do the various concepts of cost help in business decision making? $10+5=15$

(3)

5. Discuss diagrammatically the short-run price and output determination of firm and industry under perfect competition. 15

Or

Differentiate between the concepts of firm and industry. Explain the equilibrium of a firm under monopolistic competition. $3+12=15$
