

B. COM. DEGREE END SEMESTER EXAMINATION - MARCH 2018**SEMESTER – 6: COMMERCE (COMPLEMENTARY COURSE)****COURSE: 15U6PCOM2: PRINCIPLES OF BUSINESS DECISIONS***(For Regular - 2015 Admission)*

Time: Three Hours

Max. Marks: 75

SECTION – A*Answer **all** questions. Each question carries **two** marks.*

1. What is marginal revenue?
2. Define decision making.
3. What is dumping?
4. What is 'diamond water paradox'?
5. Define MRTS.
6. What do understand by advertising elasticity?
7. What is economies of scale?
8. What is demand recession?
9. What do you mean by induced investments?
10. What is law of demand? (2 x 10 = 20)

SECTION – B*Answer **any five** questions. Each question carries **five** marks.*

11. What are the causes of business cycle?
12. Discuss how price leadership emerges.
13. The price of BMW car was Rs. 90 lakhs and its price was reduced by Rs.30, 000. This reduction in price did not increase its demand. Why?
14. Explain the law of returns to scale.
15. Distinguish between the following:
 - a) Shift in demand
 - b) Extension & contraction of demand
16. "A firm should not produce beyond the least-cost output point" Discuss.
17. The price of a commodity is ₹ 15 and quantity demanded at that price is 500 units. When the price falls to ₹ 10 the demand increases to 800 units. Calculate the price elasticity of demand.

(5 x 5 = 25)

SECTION- C

*Answer **any three** questions. Each question carries **ten** marks.*

18. “Managerial economics bridges the gap between economic theory and practice” Discuss.
19. Define production function. Explain the nature and managerial uses of production function.
20. What is decision making? Discuss the various types of business decisions?
21. What is cost function? Discuss short-run cost function.
22. What is demand? State the law of demand. Discuss the factors affecting demand. (10 x 3 = 30)
