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63/2 (Sem-2) MCO205 (N/O)

2024

COMMERCE

Paper : MCO205(N/O)

**(Business Economics/Investment Analysis
and Portfolio Management)**

Full Marks : 80

Pass Marks : 32

Time : Three hours

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

NEW COURSE

(Business Economics)

1. Choose the correct answer : $1 \times 6 = 6$

(a) Relative inelastic is when :

(i) $e = \theta$

(ii) $e = \alpha$

(iii) $e > 1$

(iv) $e < 1$

Contd.

(b) Which of the following explains the long run production function ?

- (i) Law of demand
- (ii) Law of variable proportion
- (iii) Returns to scale
- (iv) Law of utility

(c) To estimate the sales of a product for the next year, a business manager should consider :

- (i) trend analysis
- (ii) expert opinion
- (iii) Delphi method
- (iv) market survey

(d) Mr. A plans to launch a new product which is not available in the market. At what price, should Mr. A. determine to launch his product ?

- (i) $MR = MC$
- (ii) $MR > MC$
- (iii) $MR < MC$
- (iv) $AR < AC$

(e) During the recession, what measure is to be adopted by a firm ?

- (i) Production cost cutting measure
- (ii) Cutting capital expenditure
- (iii) Hiring more employees
- (iv) Both (i) and (ii)

(f) Who is the gainer during inflation ?

- (i) fixed income earner
- (ii) debtor
- (iii) creditor
- (iv) salaried person

2. Write the answer of the following questions :
2×5=10

- (a) What is market demand ?
- (b) Define production function.
- (c) Mention any two industries operating in oligopoly market in India.
- (d) How is inflation rate calculated in India ?
- (e) What is transfer pricing ?

3. Answer **any six** questions : 5×6=30
- (a) What is price elasticity of demand?
How does it help in business decision making?
2+3=5
- (b) Write the pre-requisites of a good forecast.
- (c) Discuss the application of production function in decision-making of business.
- (d) Explain economies of scale.
- (e) Write a note on Cobb-Douglas production function.
- (f) Write **any five** differences between perfect competition and monopolistic competition.
- (g) Describe price discrimination with suitable example.
- (h) Explain the nature of business cycle.
- (i) What measures can be taken by the central bank to manage inflation? Explain.

4. Answer **any two** of the following questions :
10×2=20

- (a) Explain the determinants of market at demand with suitable examples.

- (b) How are output and price determined in monopolistic competition? Discuss with diagram.

- (c) Describe long run production function.

5. Answer **any one** question : 14

- (a) Why does a business firm need to forecast demand? If a firm forecasts demand, what are the determinants of demand forecasting? Explain.
7+7=14

- (b) Describe business cycle. How does investment behave over the phases of business cycle?
7+7=14