	K18P U3UU A fall in the price of a commodity whose d Causes fotal expenditure on the commodity			
Reg. No.:				
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Fourth Semester M.A. Degree (Reg./Suppl./Imp.) Examination, March 2018 ECONOMICS/APPLIED ECONOMICS/DEVELOPMENT ECONOMICS Elective – ECO 4E08: Business Economics (2014 Admission Onwards)				
ly for a considerable period are sold	aboo Max. Marks: 60			
Time: 3 Hours aboop side u SECT	FION – A and replacement is vestigated.			
Answer all questions - Objective types :	SECTION SECTION			
 Economies of scale are said to exist where with the increases in plant size is a) Diseconomies of scale c) Decreasing Returns The costs that generally do not involved a) Fixed cost c) Implicit cost 3. Demand forecasting method based 	b) Economies of Scale d) Constant Return live cash payment are b) Variable cost d) Explicit cost d on specialized form of panel opinion is			
a) Delphi method	b) Judgemental method d) Smoothening Techniques eve no choice but to sell their product at the			
5. For normal goods, the income ela	sticity is b) Equal to zero			

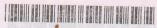
a) Less than zero

c) Greater than one

b) Equal to zero

d) Greater than zero

P.T.O.



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6	causes total expenditure on the	whose demand curve is a re commodity to	ctangular hyperbola		
	a) increase	b) decrease	eme		
	c) remain unchanged	d) none of the above	'e		
7	. The shape of TFC curve				
	a) Horizontal	b) Downward slopir	AMACSHAOVOOEL		
	c) U shaped	d) Vertical	M3813		
8.	8. The goods which can be used continuously for a considerable period are				
- 08	a) Durable goods	b) Consumer goods	annal Canani		
	c) Capital goods	d) Non Durable goo			
	S	ECTION - BOY eviloe(dC	Answer all questions -		
Ar	nswer any eight questions. Each	carries 2 marks.	t. Economies of scale		
	What is discounting principle?		with the increases in		
	What is variable cost ? Uto A Insta				
	Triat is variable oost ;	ally do not involve cash p			
11.	Explain full cost pricing.		a) Fixed cost		
12.	What is dual pricing?				
13.	What is capital budgeting?				
14.	State the differences between ca				
			hadton idaled le		
10.	Define pricing policy.	iments d) Smc	c) Controlled Exper		
16.	what are the basic tools in busine	ess economics?			
17.	What is income elasticity of dema				
18.	What is demand? What are the t	mes of domand 2	a) Going rate pricin b) Differential pricin		
	Explain Diminishing Returns to So	isti (u			
		ne income elasticity is	(8×2=16)		



SECTION - C

Answer any four questions. Each carries 5 marks.

- 20. Explain the relationship between marginal cost and average cost.
- 21. Discuss Market-based pricing method.
- 22. Why is Forecasting Important to an Organization?
- 23. Explain Naive Method of demand forecasting. What are its advantages and disadvantages?
- 24. What are the factors hampering cost control in India?
- 25. Distinguish between investment decisions and replacement investment decisions. (4×5=20)

SECTION - D

Answer any two questions. Each carries 10 Marks.

- 26. Describe the nature and scope of business economics.
- 27. What is elasticity of demand? Describe different types of elasticity of demand graphically.
- 28. Explain Stigler's survivorship technique.

rate at which ine same product

29. Briefly narrate probability theory and utility theory approaches. (2x10=20)

b) Judgemental method -