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# PRESIDENCY UNIVERSITY

## BENGALURU

### Mid - Term Examinations – October 2025

**Date:** 08-10-2025

**Time:** 11.45am to 01.15pm

<b>School:</b> SOC/SOM-UG	<b>Program:</b> B.Com CA (Foundation)	
<b>Course Code:</b> CBS1032	<b>Course Name:</b> Business Economics	
<b>Semester:</b> I	<b>Max Marks:</b> 50	<b>Weightage:</b> 25%

<b>CO - Levels</b>	<b>CO1</b>	<b>CO2</b>	<b>CO3</b>	<b>CO4</b>	<b>CO5</b>
<b>Marks</b>	10	20	20	-	-

**Instructions:**

- (i) *Read all questions carefully and answer accordingly.*
- (ii) *Do not write anything on the question paper other than roll number.*

### Part A

**Answer ALL the Questions. Each question carries 2 marks.**

**5Q x 2M=10M**

<b>1</b>	Define "normative science" and give one example.	<b>2 Marks</b>	<b>L1</b>	<b>CO1</b>
<b>2</b>	When do you use "Point Elasticity Method" to compute price elasticity of demand. Aso, write the formula to compute the same.	<b>2 Marks</b>	<b>L1</b>	<b>CO1</b>
<b>3</b>	What is a "Marginal Rate of Substitution" and the formula to compute it.	<b>2 Marks</b>	<b>L1</b>	<b>CO1</b>
<b>4</b>	Explain "Constant Returns to Scale" in Law of Returns to Scale.	<b>2 Marks</b>	<b>L1</b>	<b>CO1</b>
<b>5</b>	What is "Implicit Cost" and give one example for the same.	<b>2 Marks</b>	<b>L1</b>	<b>CO1</b>

### Part B

**Answer ALL the Questions. Each question carries 10 marks.**

**4Q x 10M=40M**

<b>6.</b>	Write any five characteristics of Business Economics.	<b>10 Marks</b>	<b>L2</b>	<b>CO2</b>
<b>Or</b>				
<b>7.</b>	What is Capitalist Economy and write any five features of a capitalist economy.	<b>10 Marks</b>	<b>L2</b>	<b>CO2</b>

<b>8.</b>	Define "Indifference Curve". Write the assumptions of "Indifference Curve" theory.	<b>10 Marks</b>	<b>L2</b>	<b>CO2</b>
<b>Or</b>				
<b>9.</b>	Define "Labour" as per Economics and Explain any five characteristics of "Labour".	<b>10 Marks</b>	<b>L2</b>	<b>CO2</b>

<b>10.</b>	Write the five reasons for Law of Demand.	<b>10 Marks</b>	<b>L3</b>	<b>CO3</b>
<b>Or</b>				
<b>11.</b>	Write any six determinants of supply.	<b>10 Marks</b>	<b>L3</b>	<b>CO3</b>

<b>12.</b>	Write all the properties of "Indifference Curves".	<b>10 Marks</b>	<b>L3</b>	<b>CO3</b>
<b>Or</b>				
<b>13.</b>	How does the Price of the good itself, Price of related goods and Income of the consumer affect demand? Also, Explain the type of relationship (positive or negative).	<b>10 Marks</b>	<b>L3</b>	<b>CO3</b>