



# PRESIDENCY UNIVERSITY

BENGALURU

Roll No.																			
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## End - Term Examinations - December 2025

Date: 12 - 12- 2025

Time: 09:30am - 12:30pm

School: SOC / SOM (UG)	Program: B. Com CA (Foundation)	
Course Code : CBS1032	Course Name: Business Economics	
Semester: I	Max Marks:100	Weightage: 50%

CO - Levels	CO1	CO2	CO3	CO4	CO5
Marks	20	20	20	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 2marks.

10Q x 2M=20M

1.	Define "Positive Science" and give one example?	2 Marks	L2	CO1
2.	What is the "Law of Demand"? Also, draw the demand curve.	2 Marks	L3	CO1
3.	When do you use "Point Elasticity Method" to compute Price elasticity of Demand. Also, write the formula to compute the same.	2 Marks	L3	CO2
4.	What is "Long-run Production Function"?	2 Marks	L3	CO2
5.	Define "Spot Markets" and "Future Markets".	2 Marks	L1	CO3
6.	What is "Leading Indicator" and give one example?	2 Marks	L2	CO3
7.	Define 'Per Capita Income'.	2 Marks	L2	CO4
8.	Define "Budget".	2 Marks	L1	CO4
9.	What are the two sources of "Money Supply"?	2 Marks	L1	CO5
10.	Define "Bilateral Trade Agreements".	2 Marks	L2	CO5

## Part B

Answer ALL the Questions. Each question carries 7 marks.

5Q x 7M = 35M

<b>11.</b>	Write any five differences between Economics and Business-Economics.	<b>07 Marks</b>	<b>L2</b>	<b>C01</b>
<b>Or</b>				
<b>12.</b>	Write any five fiscal reforms that were introduced in 1991.	<b>07 Marks</b>	<b>L2</b>	<b>C01</b>
<b>13.</b>	Write any five determinants of supply. Explain the type of relationship (Direct or Inverse relationship)	<b>07 Marks</b>	<b>L3</b>	<b>C02</b>
<b>Or</b>				
<b>14.</b>	What is Free Float / Flexible Exchange rate system? Write the advantages of the same.	<b>07 Marks</b>	<b>L3</b>	<b>C02</b>
<b>15.</b>	What are iso-quants? Explain with a simple schedule and a graph.	<b>07 Marks</b>	<b>L3</b>	<b>C03</b>
<b>Or</b>				
<b>16.</b>	Explain the three qualitative measures used by RBI to control money supply. (4M) Explain contractionary and Expansionary monetary policy. (3M)	<b>07 Marks</b>	<b>L3</b>	<b>C03</b>
<b>17.</b>	What is Price Discrimination? Describe the three types of price discrimination of Monopoly.	<b>07 Marks</b>	<b>L2</b>	<b>C04</b>
<b>Or</b>				
<b>18.</b>	<b>Define the below and give one example for each.</b> a) Negative Production Externality b) Negative Consumption Externality c) Positive Production Externality d) Positive Consumption Externality	<b>07 Marks</b>	<b>L2</b>	<b>C04</b>
<b>19.</b>	What happens to an economy during the contraction phase of a Business Cycle.	<b>07 Marks</b>	<b>L2</b>	<b>C05</b>
<b>Or</b>				
<b>20.</b>	Define "Marginal Propensity to Consume" (MPC) and "Marginal Propensity to Save" (MPS). (4M) <b>Calculate marginal propensity to consume and marginal propensity to save from the following data about an economy which is in equilibrium: (3M)</b> National income = 2500, Autonomous consumption expenditure = 300, Investment expenditure = 100	<b>07 Marks</b>	<b>L2</b>	<b>C05</b>

### Part C

Answer any three Questions. Each question carries 15marks

3Q x 15M=45M

21.	Define "Land" as per Economics and Explain any five characteristics of Land.	15 Marks	L2	C01
22.	Explain all the determinants of demand? Also, Explain the type of relationship (positive or negative).	15 Marks	L3	C02
23.	Define Fiscal Policy. Explain the types of Fiscal Policy (10M) Explain the types of lags in implementation of a Fiscal Policy (5M)	15 Marks	L3	C03
24.	Define Monopolistic competition. Write the features of Monopolistic competitive markets. (11M) Define "First Order Condition" and "Second Order Condition" to determine equilibrium. (4M)	15 Marks	L2	C04
25.	What are "Specific Tariffs" and "Advalorem Tariffs" (6M) Write the disadvantages of International Trade (9M)	15 Marks	L2	C05