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**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF COMMERCE &  
SCHOOL OF LAW  
END TERM EXAMINATION - JAN 2023**

**Semester :** Semester I - 2022

**Course Code :** BCL1002 /SOC1002

**Course Name :** Sem I – SOC1002/BCL1002 - Business  
Economics

**Program :** B.COM LLB (Hons.)

**Date :** 11-JAN-2023

**Time :** 1.00PM - 4.00PM

**Max Marks :** 100

**Weightage :** 50%

**Instructions:**

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.

**PART A**

**ANSWER ALL THE FOLLOWING QUESTIONS**

**10 X 2 = 20M**

1. Managerial economics generally refers to the integration of economic theory with business
  - A. Ethics
  - B. Management
  - C. Practice
  - D. All of the above(CO1) [Knowledge]
2. The demand curve for a good is typical:
  - A. Upward sloping
  - B. Downward sloping
  - C. Horizontal
  - D. Vertical(CO2) [Knowledge]
3. When the marginal utility is equal to zero, what will the total utility be?
  - A. Maximum
  - B. Laws of return
  - C. Minimum
  - D. None of the above(CO3) [Knowledge]
4. The marginal cost of production is the:
  - A. Cost of producing one more unit of a good or service
  - B. Total cost of production divided by the number of units produced
  - C. Average cost of production per unit
  - D. Difference between the total cost of production and the average cost of production(CO4) [Knowledge]

5. The law of diminishing marginal utility states that:
- the total utility a consumer receives from consuming a good or service increases as the quantity consumed increases
  - the total utility a consumer receives from consuming a good or service decreases as the quantity consumed increases
  - the marginal utility a consumer receives from consuming a good or service increases as the quantity consumed increases
  - the marginal utility a consumer receives from consuming a good or service decreases as the quantity consumed increases
- (CO1) [Knowledge]
6. If the quantity demanded of a commodity is unresponsive to change in prices, then the demand of that commodity is\_\_\_\_\_.
- Perfectly inelastic
  - Elastic
  - Unit elastic
  - Inelastic
- (CO2) [Comprehension]
7. An Indifference curve slope down towards right since more of one commodity and less of another result in which of the following?
- Decreasing expenditure
  - Maximum satisfaction
  - Greater satisfaction
  - Same satisfaction
- (CO3) [Comprehension]
8. Isoquants are equal to
- Product lines
  - Total utility lines
  - Cost lines
  - Revenue lines
- (CO4) [Comprehension]
9. If price changes by 1% and supply changes by 2%, then the supply is\_\_\_\_\_.
- Static
  - Indeterminate
  - Inelastic
  - Elastic
- (CO2) [Comprehension]
10. State two nature of managerial economics. (CO1) [Comprehension]

## PART B

**ANSWER ALL THE FOLLOWING QUESTIONS**

**4 X 10 = 40M**

11. The cost of the next best alternative is the opportunity cost. Quote an example regarding this concept.Explain in detail the Production possibility frontier.
- (CO1) [Comprehension]
12. Elaborate on the meaning and degrees of elasticity of demand with labelled diagrams.
- (CO2) [Comprehension]
13. Elaborate on the concept of Indifference curve. State the features/properties of Indifference curve.
- (CO3) [Comprehension]
14. How does the Law of Returns to Scale relate to the concept of the production function?
- (CO4) [Comprehension]

## PART C

ANSWER ALL THE FOLLOWING QUESTIONS

2 X 20 = 40M

15. Answer the below-mentioned questions:
- i) State the meaning of demand
  - ii) State the Law of Demand and Restate the meaning of elasticity of demand
  - iii) Explain in detail the different degrees of elasticity of demand with neatly labeled diagrams  
(CO3) [Comprehension]
16. A managerial economist handles the firm in many perspectives. Elaborate on the Role of a managerial economist with an example for each.  
(CO4,CO3) [Application]

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