



PG – 743

I Semester M.Com. (FA)/M.F.A. Examination, January/February 2018  
(CBCS Scheme)  
Paper – 1.3 : MICRO AND MACRO ECONOMICS FOR BUSINESS  
DECISIONS

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any seven** sub-questions out of 10. **Each** sub-question carries **2** marks. (7×2=14)

1. a) Distinguish between Luxury goods and Interior goods.
- b) What is marginal productivity ?
- c) What is the nature of marginal cost ?
- d) What is break-even analysis ?
- e) What are diseconomies of scale ?
- f) Define profit maximisation.
- g) What is taxation policy ?
- h) What is aggregate demand ?
- i) What is oligopoly ?
- j) State the significance of bank lending.

SECTION – B

Answer **any four** questions out of 6. **Each** question carries **5** marks. (4×5=20)

2. Discuss the determinants of demand with illustration.
3. Explain the objectives of production function.
4. Elucidate the elements of total cost.

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5. Describe the functions of monopoly and oligopoly.
6. Explain the effectiveness of fiscal policy.
7. Discuss the determination of interest rate.

SECTION – C

Answer **any three** questions out of 5. **Each** question carries **12** marks. (3×12=36)

8. What is demand ? Distinguish between individual demand and market demand.
  9. Explain the law of diminishing returns with illustration.
  10. Discuss the role of economies of scale in cost analysis.
  11. Write short notes on the following :
    - a) National Income.
    - b) National Production.
    - c) National Employment.
  12. Do changes in interest rates mostly affect the supply of money or the demand for money ? Explain.
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