



PJ – 540

I Semester M.Com. (FA) Degree Examination, January/February 2019
(CBCS)
Paper – 1.3 : MICRO AND MACRO ECONOMICS FOR BUSINESS
DECISIONS

Time : 3 Hours

Max. Marks : 70

Instruction : Answer all Sections.

SECTION – A

1. Answer **any seven** questions. Each question carries **two** marks. (7×2=14)
- Define marginal propensity to save.
 - What do you mean by Engel's curve ?
 - Give the meaning of induced investment.
 - Define oligopoly.
 - What is break-even analysis ?
 - What are snob appeal goods ?
 - What do you mean by disposable personal income ?
 - Give the meaning of isoquant.
 - Define perfect competition.
 - Give the meaning of kinked demand curve.

SECTION – B

Answer **any four** from the following. Each question carries **five** marks. (4×5=20)

- Elucidate the elements of total cost.
- Explain the law of diminishing returns to scale.
- Briefly explain the determinants of demand with illustration.

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5. How do you measure inflation rate ? Explain by considering a basket of two goods say, food and cloth.
6. Describe the functions of monopoly and oligopoly.
7. How are consumption, saving and investment related ?

SECTION - C

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

8. Explain the difficulties in computing National Income.
 9. Do changes in interest rates mostly affect the supply of money or the demand for money ? Explain.
 10. How price of a product is determined ? Explain price determination in case of a monopoly market.
 11. Explain the role of monetary and fiscal policies in developing economy like India.
 12. Give the meaning of production function. How is it helpful in decision making ? Explain the production function in the short run.
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