

Date:7-03-2022

Registration number:

ST. JOSEPH’S COLLEGE (AUTONOMOUS), BENGALURU-27

B.COM - I SEMESTER

SEMESTER EXAMINATION: OCTOBER 2021

(Examination conducted in February-March 2022)

**BC 1221/ BPS 1221 – Business Economics**

Time- 3hrs Max Marks-100

This question paper contains 2 printed pages and four parts

**Section-A**

I. Answer any **FIVE** questions. Each question carries 2 marks. (2x5 = 10)

1. What is the scope of Managerial Economics?
2. What is Utility analysis?
3. Widget Inc. decides to reduce the price of its product, Widget 1.0 from $100 to $75. The company predicts that the sales of Widget 1.0 will increase from 10,000 units a month to 20,000 units a month. Calculate ED
4. State the difference between Micro and Macro Economics.
5. What is Consumer Surplus?
6. State the Methods of Calculating National Income

**Section- B**

II.Answer any **SIX** questions. Each question carries 5 marks. (6X5=30)

1. What is an Indifference Curve? State its properties.
2. Write a note on the Objectives of Managerial Economics
3. State the Law of Variable Proportions. What are the assumptions?
4. Write a Note on Circular Flow of Income
5. Explain the Determinants of Supply.
6. What are Economies and Diseconomies of scale?
7. What the types of Costs a firm must bear in the short run?
8. Write a note on Price Consumption curve.

**Section- C**

III.Answer any **TWO** questions. Each question carries 15 marks. (2x15=30)

1. Write a detailed note on Monetary and Fiscal Policy.
2. What is Elasticity of Demand? Explain the Various types.
3. What is a Market? Explain the Classification of Market structures and their features
4. Explain the following:

a) Isoquants (5 marks)

b) Profit Maximization (5 marks)

c) Components of Balance of Payments (5 marks)

**Section- D**

IV. Answer the following **compulsory** question carrying 15 marks. (1x15=15)

1. Inflation as a global phenomenon last made headlines in the 1970s. There are growing signs that we may have to re-run soon but with a difference. The underlying causes are different and there is a school of thought among central bankers that we are in uncharted waters. High inflation last year has kept this year’s price gains compared with a year earlier subdued. But that is expected to wane as prices are set to rise for mobile phone bills and clothes, putting inflation back on a rising trend.

“The upcoming impact from the hike in telecom tariffs, volatility in the price of perishable goods and any plausible supply-chain disruptions from COVID’s latest variant could negate the recent respite we had in fuel and global commodity prices,” said Madhavi Arora, lead economist at Emkay Global Financial Services.

While vegetable prices and fuel demand may fade away over the next few months, India could face a period of persistently high inflation due to rising input costs. Many companies across the spectrum from automakers to electronic goods manufacturers have hiked prices of their products due to prolonged disruption in global supply chains and severe shortage of semiconductors. Car manufacturers are already going for another round of price hikes in January 2022.

A) What are the Characteristics of the Indian Economy (10 marks)

B) What is meant by Inflation? What are the effects of inflation in an economy? (5 marks)