

Reg No.: \_\_\_\_\_

Name: \_\_\_\_\_

**APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY**

Third Semester B.Tech Degree (S,FE) Examination December 2020 (2015 scheme)

**Course Code: HS200****Course Name: BUSINESS ECONOMICS**

Max. Marks: 100

Duration: 3 Hours

**PART A***Answer any three questions, each carries 10 marks.*

Marks

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|---|---|-----|
| 1 | a) What are the operational issues in business management?  | (5) |
|   | b) State and explain the cobb-douglas production function.  | (5) |
| 2 | a) Define Law of supply. What are its determinants?   | (5) |
|   | b) Briefly explain the Law of variable proportions  | (5) |
| 3 | a) The price of a commodity X falls from Rs.5 per kg to Rs.4 per kg and its quantity demanded by a consumer increases from 4kg to 6kg. Comment on the nature of demand for commodity X. | (5) |
|   | b) What is an economy? Discuss its central problems.  | (5) |
| 4 | a) What is the law of diminishing marginal utility? Explain and illustrate the law with the help of MU schedule and MU curve.   | (5) |
|   | b) What do you mean by social responsibility of business? What are the ways that a firm can behave responsibly in the interest of the society?  | (5) |

**PART B***Answer any three questions, each carries 10 marks.*

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|---|--|-----|
| 5 | a) Consider the following data of a company.<br>Sales- Rs.89000 , Fixed cost- Rs.17000 , Variable cost- Rs.40000. Find the following- i. Contribution ii. Profit iii. BEP.                                   | (5) |
|   | b) Explain price-output determination in Monopolistic competition.   | (5) |
| 6 | a) From the following data :- NDPfc= Rs.80000 crores. Depreciation=Rs. 6000cr. Net Indirect taxes =Rs. 12000cr. Net Income from abroad= (+) 60 cr,<br>Calculate 1. NNPfc 2. NNPmp 3. GNPmp 4. GDPmp 5. GDPfc | (5) |
|   | b) Describe the circular flow concept in a four sector model.  | (5) |
| 7 | a) Describe the various phases of business cycle.  | (5) |
|   | b) Explain the concept of Break-even point and point out its assumptions. Using imaginary data with chart, determine the break -even point.  | (5) |
| 8 | a) What is the best way for a government to reduce inflation?  | (5) |

- b) Write a note on Fisher's quantity theory of money. (5)

**PART C**

*Answer any four questions, each carries 10 marks.*

- 9 a) The annual sales of a company for 5 years are as follows- (6)

Year	-	2015	2016	2017	2018	2019
Sales-( in lakhs)		43	54	82	44	77

Construct the equation of the trend line and forecast annual sales for the year 2020.

- b) Write short notes on- a. Accounting equation b. Balance sheet (4)
- 10 a) Discuss critically the different methods of demand forecasting. (6)
- b) Define GST. Mention any three advantages of GST. (4)
- 11 a) What is a decision tree? Mention the rules for drawing a decision tree. (6)
- b) Discuss the rationale for encouraging foreign direct investment. (4)
- 12 a) What are the various techniques of capital budgeting? Explain briefly. (6)
- b) Distinguish between FII and FPI. (4)
- 13 a) What is meant by money market? What are the Characteristics features of a good money market? (6)
- b) Examine the meaning of cost-benefit analysis. Mention any three advantages of cost benefit analysis technique. (4)
- 14 a) Define the concepts of risk and uncertainty. Explain decision making under Minimax Regret Criterion with suitable pay-off matrix. (6)
- b) What are the principles of taxation? Distinguish between direct and indirect taxes. (4)

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