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**I Semester M.Com. (FA) Examination, February 2019  
(CBCS Scheme)**

**Finance and Accounting**

**Paper – 1.3 : MICRO AND MACRO ECONOMICS FOR BUSINESS DECISIONS**

Time : 3 Hours

Max. Marks : 70

**SECTION – A**

1. Answer **any 7** sub-questions. **Each** sub-question carries **2** marks. **(7×2=14)**
- What are the determinants of demand ?
  - Distinguish between individual and market demand.
  - Define production.
  - What is income effect ?
  - What is 'Giffen Paradox' ?
  - What is the difference between marginal cost and incremental cost ?
  - Classify the market on the basis of competition.
  - What is first degree price discrimination ?
  - Mention the features of Oligopoly market.
  - What is GNP ?
  - State the objectives of Fiscal Policy.
  - What is exchange rate stability ?

**SECTION – B**

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

- Do you think demand and supply always play equally important roles in the determination of price ? Justify your answer.
- Explain the law of demand. Are there any exceptions to the law of demand ?
- What are isoquants ? Why does an isoquant slope downward ?

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5. Explain the relationship between fixed cost, variable cost, total cost and marginal cost.
6. What is meant by economies of scale ? Give example.
7. Explain the various concepts of National Income.

SECTION – C

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

8. Explain price rigidity under oligopoly in terms of kinked demand.
9. State the law of diminishing returns. Why does diminishing marginal returns to a variable input occur eventually ?
10. 'Money is quite indispensable for the functioning of market economy'. Discuss.
11. Discuss the principle of aggregate demand and aggregate supply. What is their role in determining the volume of employment in an economy ?
12. Discuss the effectiveness of monetary policy in controlling inflation.



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.



PG – 589

I Semester M.Com. (F&A)/M.F.A. Examination, January 2017  
(CBCS)  
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) What is income effect ?
- b) What is Engel's curve ?
- c) Define production function.
- d) Draw the break-even chart.
- e) What is kinked demand curve ?
- f) Define national income.
- g) Define Monetary Policy.
- h) What are the objectives of fiscal policy ?
- i) Distinguish between gross interest and net interest.
- j) What is induced investment ?

SECTION – B

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

2. Explain the law of demand and its exceptions.
3. Differentiate between income effect and substitution effect.
4. Explain the role of costs in decision making.

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5. How are output and pricing decisions taken in a monopoly ?
6. How are consumption, saving and investment related ?
7. What is monetary policy ? What are its objectives ?

SECTION – C

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

8. Discuss the determinants of demand with examples.
  9. What is production function ? How is it helpful in decision making ? Explain the production function in the short-run.
  10. Discuss the role of monetary policy in a developing economy like India.
  11. Discuss the current fiscal policy and its impact on investment and employment generation.
  12. “Monopolistic competition exhibits the characteristics of both monopoly and perfect competition”. Discuss.
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I Semester M.F.A. Examination, January 2016  
(CBCS)  
**FINANCE AND ACCOUNTING**  
Paper – 1.3 : Micro and Macro Economics for Business Decisions

Time : 3 Hours

Max. Marks : 70

**Instruction :** Answer *all* questions.

## SECTION – A

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

What do you mean by :

- Individual demand ?
- Market demand ?
- Sectors of economy ?
- Luxury good ?
- Inferior good ?
- Fixed cost Vs variable cost ?
- Perfect competition ?
- Isoquant ?
- Inflation rate ?
- Unemployment level ?

## SECTION – B

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

- An increase in demand due to a fall in price can be broken into 2 parts :
  - Income effect
  - Substitution effect. Explain.
- What is an isoquant ? Also what is a budget line. Explain by diagrams.
- What is break-even analysis ?



5. How do you measure inflation rate ? Explain by considering a basket of two goods say, food and cloth.
6. What is Gross National Product (GNP) ? Differentiate between GNP at market price and at factor cost.
7. What is perfect competition ? What are characteristics of a product in a perfect competition ? Whether individual supplier has any role in determination of price of his product ? Explain by examples.

## SECTION - C

Answer **any 3** questions out of 5. **Each** question carries **12** marks. **(3x12=36)**

8. What are the various determinants of demand ? Explain role of each determinant by example and diagram. What is law of demand ?
9. What are factors of production ? Explain variation of output as labour increases from 0 to a large no. (Assume that capital is constant). Explain by a diagram and give reasons for variation at each stage. Finally what is the relationship between total output and marginal output ?
10. How price of a product gets determined by market forces ? Explain price determination in case of a monopoly market. Draw appropriate revenue and cost curves.
11. What is Gross National Product (GNP) ? How do you measure it ? What is the problem of double counting and how do you avoid it ? Why the official GNP always under reports the real GNP ? Explain above questions by examples.
12. What are the measures available to the Government to improve production, income and employment of the country ? Explain in context of fiscal policy and monetary policy of the government.