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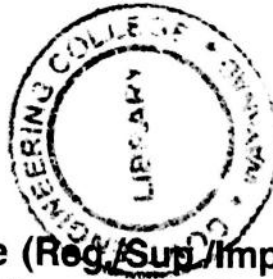
V Semester B.Tech. Degree (Reg./Sup./Imp. – Including Part Time) Examination, November 2015
(2007 Admn. Onwards)
PT2K6/2K6EC/CS/IT/AEI 502 : ECONOMICS AND BUSINESS MANAGEMENT

Time : 3 Hours   Max. Marks : 100

Answer **all** questions :

1. a) Distinguish between micro-economics and macro-economics.   5

   b) Enumerate the objectives of business enterprises.   5

   c) Explain the major characteristics of wants.   5

   d) State and explain the law of diminishing marginal utility.   5

   e) List the important factors of production and explain the major features of factors of production.   5

   f) Discuss briefly what is meant by

      i) Decreasing returns to scale

      ii) Constant returns to scale and

      iii) Increasing returns to scale.   5

   g) Explain how price is determined under conditions of perfect competition. 5

   h) What are the major functions of commercial banks ?   5

2. a) Explain the nature and scope of managerial economics.   8

   b) Explain the term opportunity cost.   7

                          OR

   c) Explain the various forms of business.   15

3. a) Explain the factors determining the price elasticity of demand.   **8**

    b) What are the three methods suggested for the measurement of elasticity.   **7**

          OR

    c) What are the various methods used for forecasting the demand and explain the relationship between demand forecasting and the economic performance of an enterprise.   **15**

4. a) Write notes on the following :   **8**

      i) Stages of capital formation.   **4**

      ii) Division of labour.   **4**

    b) Explain isoquant and isocost curves.   **7**

          OR

    c) Explain the 'graphical method' of linear programming with an example.   **10**

    d) What is meant by the following cases in linear programming problems with

      i) infeasible solutions

      ii) feasible solutions and alternate solutions.   **5**

5. a) Differentiate between monopoly and oligopoly.   **8**

    b) Explain price determination under monopolistic situation.   **7**

          OR

    c) Write short notes on the following :

      i) Kinked demand curve.   **5**

      ii) Money market and capital market.   **5**

      iii) Central banking functions.   **5**

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