



KRISHNA INSTITUTE OF SCIENCE & COMMERCE
COLLEGE CODE - 384 (KISC)

B.Com (Part-I) Exam - 2021-22

Model Test Paper

Subject:-Business Economics

Time: 3 hrs

Max. Marks : 75

Attempt all the five questions. One question from each Unit is compulsory.

Unit - I

1. What is the meaning of price mechanism. Explain the essentials conditions and limitation of price mechanism.

or

Define business Economics and describe its importance & scope.

[15 Marks]

Unit - II

2. Describe Elasticity of Demand and describe the factors affecting the Elasticity of Demand ?

or

Why does demand curve slope downward ? Explain with Diagram ?

[15 Marks]

Unit - III

3. Write notes any two :

- (1) Money cost and real cost
- (2) Average cost and Marginal cost
- (3) Fixed cost and Variable cost

or

Discuss the law of diminishing Return and show with diagram, how is it applicable to every of economic activity ?

[15 Marks]

Unit - IV

4. What are the cause of price leadership? Describe briefly the necessary condition for effective price leadership.

or

Distinguish between Imperfect competition and Monopolistic competition. Explain how price determined under it.

[15 Marks]

Unit - V

5. Explain Modern Theory of Distribution ?

or

"Interest is the reward for parting with liquidity" Discuss critically this statement.

[15 Marks]