

**First Year Examination of the
Three Year Degree Course, 2001
(Faculty of Commerce)
BANKING AND FINANCIAL MANAGEMENT
Business Economics**

Time : 3 Hours

[Maximum Marks :100]

Candidate have to attempt **five** questions,
selecting **one** question from each unit,
All questions carry equal marks.

UNIT - I

1. Examine the definitions of Economic as given by Marshal and Robbins. Which of the two is better and why ? 12+8

OR

What do you mean by Economic System ? Explain its main functions. 8+12

UNIT - II

2. Critically examine the concept of Consumer's Surplus and give its importance. 12+8

OR

Explain the concept of Elasticity of Demand. How the elasticity of Price Demand is measured ? 8+12

UNIT – III

3. What do you mean by Efficiency of Labour ? Examine factors affecting it. 5+15

OR

What do you mean by Laws of Return ? Explain the Law of Diminishing Return ? 5+15

UNIT – IV

4. Write short notes on the following :

(i) Relationship between Marginal Cost and Average Cost.

10

(ii) Managerial use of Shortterm Cost

10

OR

What is Perfect Competition ? Explain how are output and price determined under it?

5+15

UNIT – V

5. Critically examine the Marginal Productivity Theory of Distribution.

20

OR

6. What do understand by National Income ? What is the effect of changes in the 'Size' and 'Composition' of National Income on Economic Welfare ? Explain.

8+12