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School of Finance and Commerce

**Bachelor of Commerce Honours in International Accounting and Finance
Mid Term Examination - Nov 2023**

**Duration : 90 Minutes
Max Marks : 50**

Sem I - H1UB117T - Business EconomicsGeneral Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) When price is Rs. 20 per unit, demand for a commodity is 500 units. As the price falls to Rs. 15 per unit, demand expands to 800 units. Calculate elasticity of demand. K2 (2)
- 2) Differentiate between micro and macro economics. K1 (3)
- 3) "Economics discusses the use of scarce resources for satisfying unlimited ends." Critically elaborate this definition of economics. K2 (4)
- 4) Define cross demand and joint demand. K2 (6)
- 5) The total cost of producing 5 TV Sets is Rs. 1,00,000 if the firm produces 6 TV sets its total costs increases to Rs. 1,35,000. What is the marginal cost for 6th TV Sets. K3 (6)
- 6) Explain the meaning of Giffen Goods. K3 (9)
- 7) Construct the diagram of Fixed cost, variable cost, total cost curves K4 (8)
- 8) "A Capitalist economic system is one which is characterized by free markets and the absence of government intervention in the economy". Critically evaluate the merits and demerits of capitalist economy. K4 (12)

OR

- Explain the law of demand and the exceptions to law of demand. K4 (12)