F.Y.B.COM II sem Bus.Eco 2014

VCD - 14-3-14 -FYBCOM-SEMESTER II-BUSINESS ECONOMICS I- 60 Mks-2Hrs-1800

Note : 1) All Questions are Compulsory.

2) Figures to right indicates full marks.

Q. 1 Answer the following (Any TWO) (15)

A) Short run equilibrium of a firm under differential cost

B) Long run equilibrium under monopoly

C) Selling cost and its effect

Q. 2 Discuss the following (Any TWO) (15)

A) Conditions for price discrimination

B) Multi product pricing

C) Causes of market failure

Q. 3 Explain the following (Any TWO) (15)

A) Meaning and Importance of capital budgeting

B) Importance and difficulties of project planning

C) Comparison between NPV and IRR

Q. 4 A) State whether the following statements are True OR False with Reasons. (Any 4) (0

1. In oligopoly there are many sellers.

2.In perfect competition firm is a price maker.

3. Price is not less than marginal cost.

4. Market failure occurs in the provisions of public goods.

5. Capital budgeting pertains to investment decisions.

6. Pay back period method is the simplest capital budgeting method.

B) Fill in the blanks. (Any 7) (07

1.Demand curve of a firm in perfect competition is ______.

a) Horizontal b) Vertical

c) Downward slopping d) Upward slopping

2. For a monopoly firm ______.

a) AR=MR b) AR>MR

c) AR<MR d) None of the above

3. In oligopoly market there are ____.

a) Many sellers b) Single seller

c) Two sellers d) Few sellers

4. Pricing of products depends upon _____.

a) Demand and supply b) Nature of the product

c) Form of market d) All the above

5. ________ is not a condition for price discrimination.

a) Non-transferability of goods
b) Government's sanction
c) Homogeneous products
d) Consumers ignorance

6. In economics , a difference in access to relevant knowledge is called ______.

a) An information gap
b) A frontier gap
c) Information asymmetry
d) Access imperfection

7. Future value may be defined as ______.

a) The discounted value of future cash flows

b) The interest rate earned on future cash flows

c) The compounded value of future cash flow

d) The opportunity cost of future cash flows

8. A project is profitable if NPV is _____.

a) Zero
b) One
c) Negative
d) Positive

9. Pay back period method of capital budgeting primarily focuses on ______.

a) The current rate of interest

b) The rate of profitability of assets

c) Time period required to recover original investment

d) The cost of acquiring capital assets.

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