

**2 0 1 6**

( 2nd Semester )

**COMMERCE**

Paper No. : BC-202

( **Business Economics** )

*Full Marks : 70*

*Pass Marks : 45%*

*Time : 3 hours*

( PART : B—DESCRIPTIVE )

( Marks : 45 )

*The figures in the margin indicate full marks  
for the questions*

Answer **all** questions

1. (a) What is deflation? State and analyze the factors causing deflation. 2+7=9

*Or*

- (b) Explain profit maximization theory of the firm. 9

2. (a) State and explain different methods of measurement of elasticity of demand. 9

Or

- (b) Explain the determinants of elasticity of demand. 9

3. (a) "The least cost combination is an optimum combination for producers." Explain. 9

Or

- (b) What do you mean by returns to scale? Discuss the three stages of the law. 2+7=9

4. (a) What is perfect competition? Discuss the long-run equilibrium of a firm under perfect competition. 2+7=9

Or

- (b) Explain Cournot's duopoly model. State its criticism. 6+3=9

5. (a) Explain Keynes' principal theory of effective demand. 9

Or

- (b) What is profit? Briefly explain the nature of profit. 2+7=9

★ ★ ★