

**2 0 1 5**

( 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 inflation? State its effects on  
the economy. 2+7=9

*Or*

- (b) Give a brief note on growth  
maximization theory. 9

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2. (a) Define elasticity of demand. What are its different types? 2+7=9

*Or*

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

3. (a) Briefly state the law of variable proportion with a suitable diagram. 9

*Or*

- (b) Give a note on 'expansion path'.

4. (a) Explain the price determination under monopoly firm in the short period. 9

*Or*

- (b) Discuss 'kinked demand curve theory' of oligopoly pricing.

5. (a) Explain how modern theory of rent is an improvement over Ricardian theory of rent. 9

*Or*

- (b) Briefly explain the Keynesian theory of employment.

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