2026

(FYUGP)

(6th Semester)

COMMERCE

(MAJOR)

Paper : BC/C15

(Business Economics)

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

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

1. *(a)* What is Business Economics? Explain the fundamental nature of Business Economics. What are the basic problems faced by every economy? 2+5+8=15

Or

(b) Discuss the application of economic theories in decision making. 15

2. *(a)* Define elasticity of demand. Discuss the factors influencing the elasticity of demand. Also state the importance of elasticity of demand. 3+8+4=15

Or

(b) What is indifference curve? Discuss its properties. Explain how a consumer attains equilibrium under indifference curve analysis. 2+6+7=15

3. (a) Explain the law of variable proportions with the help of a diagram. What are the importances of the law of variable proportions? 12+3=15

Or

(b) Discuss the concepts of economies and diseconomies of scale. Explain the shape of the long-run average cost curve. 8+7=15

4. (a) Write short notes on the following : 3×5=15

(i) Cost plus pricing
(ii) Target pricing
(iii) Marginal cost pricing
(iv) Going rate pricing
(v) Factor pricing

Or

(b) Explain briefly the process of price determination and how a firm reaches equilibrium in a perfectly competitive market situation. 15

5. *(a)* Explain the different phases of a business cycle. What are the main causes of these cycles? 8+7=15

Or

(b) Define deflation. Examine the causes of deflation. Explain the measures that can be used as remedial action to control deflation. 2+7+6=15

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