Reg No.:_____   Name:_____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY
THIRD/FOURTH SEMESTER B.TECH DEGREE EXAMINATION, JULY 2017

Course Code: HS200
Course Name: BUSINESS ECONOMICS

Max. Marks: 100   Duration: 3 Hours

PART A
Answer any three Questions. Each carries10 marks

			Marks
1	a)	State and illustrate the concept of equilibrium price	(5)
	b)	What are the fundamental economic problems	(5)
2		Explain the law of diminishing marginal utility with its assumptions	(10)
3		Explain a) Marginal cost b) Marginal Revenue	(10)
		c) Sunk cost d) Opportunity cost e) Private and social cost	
4	a)	What are the different types of elasticity?	(6)
	b)	What are the methods of measuring elasticity?	(4)

PART B
Answer any three Questions. Each carries10 marks

5   Consider the following data of a company for the year 2015   (10)

Sales = Rs. 80,000,   Fixed Cost=Rs. 15,000,   Variable cost= Rs. 35,000
Find   1). Margin of safety   2). Profit   3). Breakeven sales   4). Contribution

6   a)   'A firm under monopolistic competition will get only normal profit in the long   (7)

run'.   Substantiate the statement with illustrations

     b)   What are the features of perfect competition   (3)

7   What are the causes and effects of inflation?   (10)

8   a)   Explain Fisher's equation to the quantity theory of money   (5)

     b)   What are the quantitative methods of credit control?   (5)

PART C
Answer any four Questions. Each carries10 marks

9   a)   What is payback period? How we analyse a business project in payback period   (4)

           method?

     b)   What are the merits and demerits of payback method?   (6)

10   a)   Explain the IRR method of project analysis   (5)

     b)   Explain the profitability index method   (5)

11   What are the qualitative and quantitative techniques of demand forecasting?   (10)

12   a)   Distinguish between FPI and FDI   (5)

     b)   What are the internal sources of capital?   (5)

13   a)   What is a balance sheet?   (5)

     b)   What are the steps in capital budgeting?   (5)

14   a)   Write about the canons of taxation   (5)

     b)   List out the advantages and disadvantages of direct and indirect taxes   (5)

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