
Date: 09.12.2025

Max Marks: 70

Duration: 03 Hrs

Pass Marks: 35

General Instructions

- (i) All Sections (A, B & C) are to be attempted.
- (ii) Options, if any, are specified in respective section.

Section A

Ten MCQs/Fill in the Blanks of 01 Mark each – Choose the correct answer as applicable.

1. "Economics is a study of mankind in the ordinary business of life."
This definition of Economics was given by:
 - (a) Adam Smith
 - (b) Paul A Samuelson
 - (c) Alfred Marshall
 - (d) Lionel Robbins
2. Which of the below is not an assumption of the law of demand?
 - (a) Income of the consumer remains the same.
 - (b) The buyer exhibits irrational buying behaviour.
 - (c) Firms aim at maximisation of profits
 - (d) Prices of complementary and substitute goods remain the same.
3. Time series analysis is part of:
 - (a) Non-survey method
 - (b) Survey method
 - (c) Delphi method
 - (d) Collective opinion method
4. The law of variable proportions is also called as:

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- (a) Law of diminishing returns
 - (b) Law of constant technology
 - (c) Law of diminishing marginal utility
 - (d) None of the above

5. Identify the correct statement:

- (a) Profit is equal to revenue
- (b) Profit is the difference between revenue and cost
- (c) Fixed cost can be zero at zero level of output
- (d) Labour cost and raw material cost are part of fixed cost

6. Market share of a firm will be insignificant under _____.

- (a) Duopoly
- (b) Monopoly
- (c) Monopolistic
- (d) Perfect competition

7. Who shared Noble Prize for Economics for the work on game theory?

- (a) Roger Enrico
- (b) JM Keynes
- (c) John Nash
- (d) (a) and (c)

8. Identify the importance of national income estimation:

- (a) Helps businesses to forecast the future demand for their products
- (b) Reveals consumption pattern in an economy
- (c) To know the growth of different sectors of the economy
- (d) All of the above

9. A good trade phase or prosperity is the one _____.

- (a) with rising prices and low unemployment rate
- (b) with falling prices and high unemployment rate
- (c) rhythmic fluctuations happening over a period of time in aggregation
- (d) Interplay between erratic shocks

10. What is a balanced budget?

- (a) Government Revenue is not equal to Government Expenditure
- (b) Government Revenue is equal to Government Expenditure
- (c) Government Revenue is greater than Government Expenditure
- (d) Government Revenue is less than Government Expenditure

Section B

Five Questions of 02 Marks each

11. Briefly explain economies of scale.
12. What is variable cost? Give one example.
13. Write any two assumptions of perfect competition.
14. Mention any two reasons for market failure.
15. Define the law of supply

Section C

Seven Questions of 10 Marks each of which any 05 questions to be answered.

16. (a) Distinguish between primary research and secondary research.
(4 marks)
(b) How the techniques of demand forecasting are useful in the retail and ecommerce industry?
(6 marks)
17. Explain the four big questions of economics. Discuss the applications of economics in business decision making.
18. Define perfect competition and monopoly markets. Explain how these markets attain equilibrium with the help of diagrams.
19. (a) What is break-even analysis?
(4 marks)
(b) Explain its usefulness in business decision making?
(4 marks)
(c) What are its limitations?
(2 marks)
20. Define the concept of elasticity of demand. Explain price elasticity, income elasticity of demand and cross elasticity of demand with diagrams.
21. (a) Discuss the three methods of national income estimation. (6 marks)
(b) Why gross happiness index is considered as a superior alternate to the traditional estimation methods of national income.
(4 marks)
22. Explain the different phases of a business cycle with a suitable diagram.