

C 40579

(Pages 3)

Name.....

Reg. No.....

SIXTH SEMESTER B.A. DEGREE EXAMINATION, MARCH 2013

(CCSS)

Economics

EC 6E 03—ECONOMICS OF BUSINESS AND FINANCE

Time : Three Hours

Maximum : 30 Weightage

Answer may be written either in English or in Malayalam

Part A

Answer all twelve questions.

A Multiple Choice Questions :

1. The market in which prices of shares are going up and the market sentiments are highly optimistic, are called :
(a) Stock market. (b) Bear Market.
(c) Bull Market. (d) Money Market.
2. If the isoquant takes the shape of right angle, it is called :
(a) Kinked isoquant. (b) Leontief isoquant.
(c) Linear isoquant. (d) None of these.
3. Which of the following is a non-discounting criteria ?
(a) IRR. (b) ARR.
(c) NPV. (d) BCR.
4. In a homogenous production function $X^* = k^v f(K, L)$, if $v > 1$, then there is :
(a) Constant returns to scale. (b) Increasing returns to scale.
(c) Decreasing returns to scale. (d) All the above are possible.

B Fill in the Blanks :

5. When a firm gets into new businesses which is unrelated to its existing business are called _____.
6. Market in which securities are sold for the first time _____.
7. A capital expenditure that is required to comply with the statutory requirements is called _____.
8. Cobb-Douglas production function exhibits _____ returns to scale.

Turn over

C Answer in a word/ sentence :

9. Break-even point.
10. Bear market.
11. Negotiable instrument.
12. Opportunity cost.

(12 × ¼ = 3 weightage)

Part B

Short Answer Type questions.
Answer all nine questions.

13. What is a money market ?
14. Define term Loan.
15. What is a Treasury Bill ?
16. What are the properties of Cobb-Douglas production function ?
17. What is meant by par value ?
18. What is compounding ?
19. What is meant by diversification ?
20. What is expansion path ?
21. What is price skimming ?

(9 × 1 = 9 weightage)

Part C

Short Essay or paragraph questions.
Answer any five questions from 7.

22. What is Bertrand model ?
23. Distinguish between returns to scale and law of variable proportions.
24. Explain third degree price discrimination.
25. Distinguish between income elasticity and cross elasticity.
26. What are the types of costs ?
27. What are internal economies ?
28. Explain Marris' managerial theory of the firm.

(5 × 2 = 10 weightage)

Part D*Essay Questions.*

Answer any two questions from 3.

29. What is meant by capital budgeting ? Bring its main features and need.
30. Define price elasticity of demand. What are its types ?
31. Discuss the pricing practices of the firms.

(2 × 4 = 8 weightage)