

25881 A

Name :

Reg. No. :

SIXTH SEMESTER B.A. DEGREE EXAMINATION (CCSS) MARCH 2012

Economics (Elective)

EC 6E 03 – ECONOMICS OF BUSINESS & FINANCE

Time : Three Hours

Maximum : 30 Weightage

Answers may be written either in English or in Malayalam

PART A

Answer all 12 Questions. (12 x ¼ = 3 Weightage)

I. A Multiple Choice Questions

1. When a firm gets into new businesses which is unrelated to its existing business are called
(a) Conglomerate diversification (b) Contraction
(c) Vertical Integration (d) Concentric Diversification
2. Market in which securities are sold for the first time
(a) Money Market (b) Primary Market
(c) Capital Market (d) Secondary Market
3. A capital expenditure that is required to comply with the statutory requirements are called
(a) Expansion Investment (b) Mandatory Investment
(c) Strategic Investment (d) Tactical Investment
4. Which of the following is a discounting criteria
(a) IRR (b) ARR
(c) Pay Back Period (d) Urgency

I. B Fill in the Blanks

5. The market in which prices of shares are going up and the market sentiments are highly optimistic, are called
6. Document guaranteeing the payment of a specific amount of money, either on demand, or at a set time is a
7. If forecasts **are** modified in the light of observed errors, it is
8. The value of a security when it is issued is called.....

I. C Answer in a word/ Sentence

9. Delphi Method
10. Cartel
11. IRR
12. Production function

PART B

Short Answer Type Questions. Answer all 9 Questions. (9 x 1 = 9 Weightage)

13. Why money has time value?
14. Define economies of scale.

15. What is SWOT analysis?
16. What is meant by price leadership?
17. What is a balance sheet?
18. Distinguish between fixed cost and variable cost.
19. What is credit rating?
20. Distinguish between price discounts and price differentials.
21. Explain brake- even point.

PART C

Short Essay or paragraph Questions. Answer any 5 Questions from 7. (5 x 2 = 10 Weightage)

22. What are the types of price elasticities of demand?
23. What is meant by linear homogeneous production function?
24. Bring out the advantages of diversification of investment.
25. Distinguish between compounding and discounting.
26. Explain break even analysis.
27. What are the qualities and traits of an entrepreneur?
28. What are the determinants of demand forecasting?

PART D

Essay Questions. Answer any 2 Questions from 3. (2 x 4 = 8 Weightage)

29. Describe different methods of demand forecasting.
30. Explain the need for capital budgeting. What are the investment appraisal criteria?
31. What are the properties of Cobb-Douglas Production function?
