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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