Reg. No.: ....

Name: ....

University of Kerala

Y7918

Fourth Semester FYUGP Degree Examination, May 2026

Discipline Specific Core Course

COMMERCE

UK4DSCCOM202 - Business Economics

Academic Level: 200-299

2024 Admission

Time: 2 Hours(120 Mins) **Max. Marks: 56**

Part A. 6 Marks:Time 5 Minutes.(Cognitive Level :Remember(RE)/Understand(UN)) Objective Type.1 mark each, Answer all questions

Qn No.	Question	CL	CO
1	Economies of large scale leads to Options : A)Higher cost B)Lower cost per unit C)No change in cost D)loss	RE	3
2	Identify the term total utility. Options : A)Utility from one unit B)Sum of satisfaction from all units C)Price of product D)Demand	RE	2
3	Recognize the meaning of the term 'Business Cycle'. Options : A)Stability in economy B)Fluctuations in economic activity over time C)Increase in demand only D)Constant growth in GDP	UN	1
4	Identify the characteristic of Oligopoly: Options : A) One firm B) Few firms C) Many firms D) No firms	UN	4
5	Microeconomics deals with: Options : A)National income B) Individual units C)Inflation D)Trade	UN	1
6	Law of diminishing returns applies in:	UN	3

Qn No.	Question	CL	CO
	Options : A) Long run B) Short run C) Market D) Economy		

Part B. 10 Marks.Time:20 Minutes (Cognitive Level:Understand(UN)/Apply(AP))Two-three sentences.2 marks each.Answer all questions

Qn No.	Question	CL	CO
7	Distinguish between fixed cost and variable cost with examples from a firm.	UN	2
8	Explain why firms in perfect competition are called price takers	UN	4
9	Write about the need for economies of scale.	AP	3
10	Examine how Economic Profit differs from Accounting Profit using a practical business example.	AP	1
11	Write the appropriate market structure suitable to the following industries with reason: a) Wheat b) Airlines	AP	4

Part C. 16 Marks.Time:35 Minutes.(Cognitive Level :Apply(AP)/Analyse(AN))Short Answer.4 marks each, Answer all 4 questions,choosing among options * within each question

Qn No.	Question	CL	CO
12	A) Apply the concept of 'Income Elasticity ' to explain how the demand for luxury cars changes with a rise in consumer income. OR B) Write the demand forecasting methods that can be adopted by a firm for making entry in Kerala market.	AP	2, 2
13	A) Examine how the business cycle affect business decisions. OR B) Present how a business economist helps a firm in pricing decisions with an example.	AP	1, 1
14	A) Analyse the concept of returns to scale with suitable diagrams or illustrations.	AN	3, 3

Qn No.	Question	CL	CO
	OR B) Analyze the factors that cause diminishing marginal returns in production.		
15	A) Analyze how barriers to entry and product differentiation shape the structure of imperfect markets. OR B) Examine the characteristics of perfect competition and monopoly markets.	AN	4, 4

Part D. 24 Marks.Time: 60 Minutes.(Cognitive Level :Analyse(AN)/Evaluate(EV)/Create(CR)) Long Answer 6 Marks each.Answer all 4 questions choosing among options * within each question

Qn No.	Question	CL	CO
16	A) Break down the internal and external factors that contribute to Economies of Scale for a large-scale manufacturing firm. Differentiate between technical, managerial, and marketing economies by subdividing how each specifically leads to a reduction in the long-run average cost (LRAC) OR B) Analyse the concept of production function and explain its types.	AN	3, 3
17	A) Evaluate how a demand forecasting framework for a company helps to introduce a new electronic gadget into the market. OR B) Evaluate the importance of demand and supply in price determination.	EV	2, 2
18	A) Evaluate the importance of business economics in managerial decision making OR B) Evaluate the relationship between different phases of the business cycle. Conclude how they are interconnected.	EV	1, 1
19	A)	CR	4, 4

Qn No.	Question	CL	CO
	Propose various marketing strategies that can be undertaken by a firm operating in monopolistic competition. OR B) Design a framework explaining price and output determination under different market structures.		