

C 21758

(Pages : 3)

Name.....

Reg. No.....

**SIXTH SEMESTER B.A. DEGREE (SUPPLEMENTARY/IMPROVEMENT)
EXAMINATION, MARCH 2017**

(UG-CCSS)

Economics

EC 6E 03—ECONOMICS OF BUSINESS AND FINANCE

(2013 Admissions)

Time : Three Hours

Maximum : 30 Weightage

Part A

Objective Type Questions :

Answer all four questions.

1. Survey is an important method of :
 - (a) Statistical demand forecasting.
 - (b) Long run demand forecasting.
 - (c) Short run demand forecasting.
 - (d) Time series demand forecasting.
2. Cobb-Douglas production function is homogeneous of degree :
 - (a) One.
 - (b) Two.
 - (c) Zero.
 - (d) Infinity.
3. Opportunity cost is an example of :
 - (a) Actual cost.
 - (b) Business cost.
 - (c) Explicit cost.
 - (d) Implicit cost.
4. A project proposal is rejected when :
 - (a) $NPV = 0$.
 - (b) $NPV < 0$.
 - (c) $NPV > 0$.
 - (d) $NPV > = 0$.

Fill in the blanks :

Answer all four questions.

5. _____ technique helps to forecast the cause and effect relationship between the quantity demanded of a product and its price.
6. Cost function shows the relationship between _____ and _____.
7. _____ is the number of years required for the stream of cash proceeds from a project over a period to become equal to the cost of the initial cash outlay on the project.
8. Today's value of a future sum of money is called _____ of money.

Turn over

True or False :

Answer all four questions.

9. Linear homogenous production function exhibits constant returns to scale.
10. Long-run marginal cost curve is known as envelope curve.
11. Cartel is an example of non-collusive oligopoly.
12. Profitability index method is a discounting cash flow technique of capital budgeting.

(12 × ¼ = 3 weightage)

Part B (Short Answer Type Questions)

Answer all questions.

Each question carries 1 weightage.

13. Briefly explain the expert opinion method.
14. Define the marginal product of a variable factor.
15. Define constant returns to scale.
16. What is meant by break-even point ?
17. Explain barometric price leadership.
18. What is Peak load pricing ?
19. What is capital budgeting ?
20. Define IRR.
21. What is a financial statement ?

(9 × 1 = 9 weightage)

Part C (Short Essay Type Questions)

Answer any five questions.

Each question carries 2 weightage.

22. What are the trend projection methods of demand forecasting ?
23. Explain the law of diminishing returns.
24. Explain graphically the relationship between long-run average cost curve and short-run average cost curves.
25. Explain economies of scale.
26. Discuss the different types of price discrimination.
27. Write a note on the different types of cartels.
28. What are the limitations of a balance sheet ?

(5 × 2 = 10 weightage)

Part D (Essay Type Questions)

Answer any two questions.

Each question carries 4 weightage.

29. Explain the methods of capital budgeting.
30. What are the various methods adopted in the pricing of a product ?
31. Discuss the techniques of demand forecasting.

(2 × 4 = 8 weightage)

C 22709

(Pages : 2)

Name.....

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**FOURTH SEMESTER M.Com. DEGREE (PVT/SDE) EXAMINATION
APRIL/MAY 2017**

MC 4C 15—COST MANAGEMENT

(2015 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A

Answer all questions.

Each question carries 2 marks.

1. What is strategic Cost Management ?
2. Explain kaizen cost concept.
3. What do you mean by Business Process of Re-engineering ?
4. Write short note on By-Product costing and Joint Product Costing.
5. Describe Efficiency ratios.

(5 × 2 = 10 marks)

Part B

Answer any four questions.

Each question carries 10 marks.

6. What is Activity Based Costing ? And explain need for emergence of ABC.
7. Explain briefly the benefits of target costing.
8. Briefly explain the concept, importance and issues of Business Process Re-engineering.
9. Explain in detail Internal linkages and supplier linkages in value chain analysis.
10. Illustrate the different types of standard and explain its main advantages and disadvantages.
11. From the following information, calculate :

(a) Material Cost Variance ; (b) Material Price Variance; (c) Material Usage Variance.

Quantity of materials purchased 3,000 units

Value of material purchased Rs. 9,000

Standard quantity of material required per tone of finished product = 25 units

Standard rate of materials Rs. 2 per unit

Opening stock of materials Nil

Closing stock of materials 500 units

Finished production during the year 800 tons

(4 × 10 = 40 marks)

Turn over

Part C

Answer any two questions.
Each question carries 15 marks.

12. In the course of manufacture of the main product P, by-product A and B also emerge. The joint expenses of manufacturing amount to Rs. 1,19,550. All the three products are processed further after separation and sold as per details given below :

	Main Products		By Products	
		P	A	B
Sales (Rs.)	..	90,000	60,000	40,000
Cost incurred after separation (Rs.)	..	6,000	5,000	4,000
Profit as % on sales	..	25	20	15

Total fixed selling expenses are 10% of total cost of sales which are apportioned to the three products in the ratio of 20 : 40 : 40.

- (i) Prepare a statement showing the apportionment of joint costs to the main product and the two by-products.
- (ii) If the by-product A is not subjected to further processing and is sold at the point of separation for which there is a market at Rs. 58,500 without incurring any selling expenses, would you advise its disposal at this stage? Show the workings.
13. Discuss the different types of efficiency ratios.
14. Joint products X, Y, Z, W are produced at a total manufacturing cost of Rs. 1,20,000.

Quantities produced are :

X	..	20,000 units
Y	..	15,000 units
Z	..	10,000 units
W	..	15,000 units

Product X sell for Rs. 50 ; Y for Rs. 54, Z for Rs. 54 and W for Rs. 56. You are required to prepare the joint cost in the best possible manner.

(2 × 15 = 30 marks)

D 40207

(Pages : 3)

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SIXTH SEMESTER B.A. DEGREE EXAMINATION, MARCH/APRIL 2018

(CUCBCSS—UG)

Economics

ECO 6E 03—ECONOMICS OF BUSINESS AND FINANCE

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A

Answer all questions.

Each question carries ½ mark.

1. The author of the wealth of Nation is :
 - (a) Adam Smith.
 - (b) David Ricardo.
 - (c) Alfred Marshall.
 - (d) Lionel Robbins.
2. Economics was classified into micro Economics and macro Economics by :
 - (a) Joel Dean.
 - (b) Lionel Robbins.
 - (c) Paul Samuelson.
 - (d) Ragnar Frisch.
3. Business Economics is a ——— science.
 - (a) Positive science.
 - (b) Normative science.
 - (c) Both.
 - (d) None of these.
4. Market in which prices of shares are going down is called :
 - (a) Stock market.
 - (b) Bull market.
 - (c) Bear market.
 - (d) Capital market.
5. Securities issued by the ultimate investors directly to the ultimate savers are referred to as :
 - (a) Primary Securities.
 - (b) Secondary Securities.
 - (c) Indirect Securities.
 - (d) None of these.
6. Which of the following is a hybrid security :
 - (a) Ordinary shares.
 - (b) Debentures.
 - (c) Preference shares.
 - (d) None of these.
7. Liabilities which are payable over a longer period of time is called :
 - (a) Current Liabilities.
 - (b) Non-Current Liabilities.
 - (c) Both.
 - (d) None of these.

Turn over

8. An example of cartel is _____.
- (a) OECD. (b) EU.
(c) OPEC. (d) SAARC.
9. The price which is initially set low is called :
- (a) Full cost price. (b) Penetration price.
(c) Psychological price. (d) Limit price.
10. In modern theory average variable cost is :
- (a) L - Shaped. (b) U - Shaped.
(c) Flat U- Shaped. (d) Saucer - Shaped.
11. The ratio between quick assets and quick liabilities is called :
- (a) Current Ratio. (b) Acid test Ratio.
(c) Cash Ratio. (d) None of these.
12. Computation of future value of money is called :
- (a) Compounding. (b) Discounting.
(c) Adding up. (d) Forecasting.

(12 × ½ = 6 mark)

Part B (Very Short Answer Questions)

Answer any ten questions.

Each question carries 2 marks.

13. What do you mean by business Economics ?
14. Distinguish between equity shares and preference shares.
15. Write a note on investment decisions.
16. What is Current Ratio ?
17. Define break-even analysis.
18. What are internal economies ?
19. Distinguish between short run and long run production function.
20. What are opportunity cost ? Give some examples.
21. Define present value.
22. What is envelope curve ?
23. What is Delphi technique ?
24. What is first degree price discrimination ?

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

Answer any six questions.

Each question carries 5 marks.

25. Write a note on the nature and scope of business Economics.
26. Discuss the various asset and liability accounts found on a company's balance sheet.
27. Discuss the process of capital budgeting.
28. State and explain the law of variable proportions.
29. Explain Cobb-Douglas production function.
30. Show the relationship between AVC, AFC, AC and MC.
31. Explain briefly the various pricing strategies.
32. Distinguish between compounding and discounting.

(6 × 5 = 30 marks)

Part D (Essay Questions)

Answer any two questions.

Each question carries 12 marks.

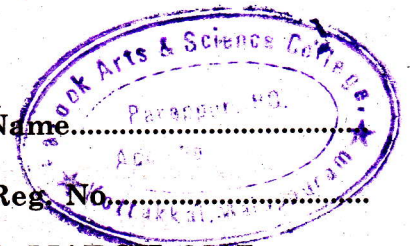
33. What is demand forecasting ? Explain in brief the various methods of forecasting demand for established products and new products.
34. Explain in detail the break even analysis in the profit planning. What are the uses of break even analysis ?
35. What are the different types of financial ratios used for evaluating balance sheet ?
36. Discuss the various economies and diseconomies of scale.

(2 × 12 = 24 marks)

C-1248

(Pages : 3)

Name.....
Reg. No.....



SIXTH SEMESTER B.A. DEGREE EXAMINATION, MARCH 2017

(CUCBCSS—UG)

Economics

ECO 6E 03—ECONOMICS OF BUSINESS AND FINANCE

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam

Part A

Answer all questions.

Each question carries ½ mark.

1. The father of Business Economics is :
 - (a) Adam Smith.
 - (b) Spencer.
 - (c) Siegelman.
 - (d) Joel Dean.
2. Business Economics generally refers to the integration of economic theory with :
 - (a) Business Ethics.
 - (b) Business Management.
 - (c) Business Practice.
 - (d) All of the above.
3. The process of making investment decisions in capital expenditures is called :
 - (a) Capital Budgeting.
 - (b) Capital Management
 - (c) Capital Forecasting.
 - (d) None of the above.
4. The assets known as gilt edged securities are :
 - (a) Debentures.
 - (b) Bonds.
 - (c) Government Securities.
 - (d) Gold.
5. Statement of financial position of a business at a given point of time is known as :
 - (a) Balance sheet.
 - (b) Profit and loss Account.
 - (c) Cash Flow Statement.
 - (d) None of the above.
6. The liabilities which are expected to be payable within one year is referred to as :
 - (a) Current Liabilities.
 - (b) Non-Current Liabilities.
 - (c) Shareholder's Funds.
 - (d) None of the above.

Turn over

7. Long run theory of production function is known as :
- (a) Law of variable proportion. (b) Law of diminishing returns.
(c) Law of returns to scale. (d) None of the above.
8. Who popularised the degree of price discrimination ?
- (a) Marshall. (b) Pigou.
(c) Keynes. (d) Jevons.
9. Cobb-Douglas production function is an example of :
- (a) Linear production function.
(b) Non-linear production function.
(c) Input - Output mix.
(d) Upward Sloping Production function.
10. Which of the following is a rectangular hyperbola ?
- (a) ATC. (b) AFC.
(c) AVC. (d) MC.
11. The price is kept artificially low in :
- (a) Price skimming. (b) Limit Pricing.
(c) Full Cost Pricing. (d) Psychological pricing.
12. Opportunity Cost are also known as _____.
- (a) Spill-over Costs. (b) Money Costs.
(c) Alternative Costs. (d) External Costs.

(12 × ½ = 6 mark)

Part B (Very Short Answer Questions)

*Answer any ten questions.
Each question carries 2 marks.*

13. What is business economics ?
14. What do you mean by financial economics ?
15. Write a note on 'investment decisions'
16. Distinguish between investment and speculation.
17. Define capital budgeting.
18. What is financial assets ?

19. What is balance sheet ?
20. What are the features of equity shares ?
21. Why does money have time value ?
22. What is compounding ?
23. What are AC and MC ?
24. What is price discrimination ?

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

*Answer any six questions.
Each question carries 5 marks*

25. "Business economics is applied micro-economics" —Elucidate and Comment.
26. Explain various stages of investment process.
27. Explain the nature and concept of capital budgeting.
28. Describe briefly the various investment alternatives.
29. Explain different concepts of costs.
30. Mention briefly the various pricing strategies.
31. How will you define economies of scale ? What are the sources of internal and external economies.
32. Define price leadership and discuss the advantages of it.

(6 × 5 = 30 marks)

Part D (Essay Questions)

*Answer any two questions.
Each question carries 12 marks*

33. Define managerial economics. Discuss the scope and nature of managerial economics.
34. Explain the break even analysis in the profit planning.
35. What are the different types of financial ratios used for evaluating balance sheet ?
36. What is a production function ? Differentiate between short run and long run production function.

(2 × 12 = 24 marks)

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(UG—CCSS)

Economics

EC 6E 03—ECONOMICS OF BUSINESS AND FINANCE

(2013 Admissions)

Time : Three Hours

Maximum : 30 Weightage

Part A

Objective Type Questions. Answer all *four* questions :

1. $Q = AL^\alpha K^\beta$, if $\alpha + \beta = 1$, then the returns to scale is :
 - (a) Increasing.
 - (b) Decreasing.
 - (c) Constant.
 - (d) Indeterminate.
2. One company or firm usually dominant one in the industry sets the price which are closely followed by others :
 - (a) Price taker.
 - (b) Price Leadership.
 - (c) Price Discrimination.
 - (d) Monopoly Pricing.
3. Which of the following is a discounting investment criterion ?
 - (a) IRR.
 - (b) ARR.
 - (c) Pay Back Period.
 - (d) Urgency.
4. 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 × ¼ = 1 weightage)

Fill in the blanks questions. Answer all *four* questions :

5. Additional cost incurred for the production of additional unit is _____.
6. Functional relationship between investment and income is _____.
7. Table of quantity demanded at various price levels is called _____.
8. If forecasts are modified in the light of observed errors, it is _____.

(4 × ¼ = 1 weightage)

Turn over

True or False questions. Answer all *four* questions :

9. A mathematical formula used to predict the cost associated with certain levels of output is cost function.
10. Finding the future value of present sum is discounting.
11. In a homogeneous production function, the returns to scale is constant.
12. The statement showing the asset and liabilities is a budget.

(4 × ¼ = 1 weightage)

Part B (Short Answer Type Questions)

Answer all questions.

13. What is meant by time value of money ?
14. What is Delphi Method ?
15. Define Cartel.
16. Distinguish between fixed cost and variable cost.
17. What is credit rating ?
18. What is the scope of managerial economics ?
19. What are financial assets ?
20. Define NPV.
21. What are financial statements ?

(9 × 1 = 9 weightage)

Part C (Short Essay Type Questions)

Answer any five questions.

22. Explain economies of scale.
23. Write a note on break-even analysis.
24. Explain price discrimination.
25. What is meant by linear homogeneous production function ?
26. Bring out the advantages of diversification of investment.
27. Explain Long Run Average Cost Curve (LAC).
28. What are the determinants of demand forecasting ?

(5 × 2 = 10 weightage)

Part D (Essay Type Questions)

Answer any two questions.

29. Describe different methods of demand forecasting.
30. Explain the need for capital budgeting. What are the investment appraisal criteria ?
31. Examine the merits and demerits of financial statement.

(2 × 4 = 8 weightage)