

**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86
(For Candidates admitted during the academic year 2011 – 2012)**

SUBJECT CODE: 11EC/AC/EB24

**B.Com./B.Com(CS) DEGREE EXAMINATION APRIL 2012
COMMERCE
CORPORATE SECRETARYSHIP
SECOND SEMESTER**

**COURSE : ALLIED - CORE
PAPER : ECONOMICS FOR BUSINESS
TIME : 3 HOURS**

MAX.MARKS: 100

SECTION A

ANSWER ALL QUESTIONS. EACH ANSWER NOT TO EXCEED 50 WORDS:

(10 X 2 = 20)

1. Define the Law of Demand.
2. What is Cross Elasticity of Demand?
3. State the importance of Demand Forecasting in a Modern Competitive market.
4. What are the determinants of Supply?
5. Give any two important economies and diseconomies of large scale production.
6. State the Law of diminishing returns.
7. Define Iso-quant.
8. Give a diagrammatic representation of the LAC
9. What is the important side of advertisement in business decision making.
10. Define break even point.

SECTION B

ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 300 WORDS :

(5 X 8 = 40)

11. Why does the demand curve slope downwards from left to right?
12. What are the types of Price Elasticity of Demand?
13. How will you forecast demand for a new product? Illustrate your answer with a suitable example.
14. Explain the Law of Variable Proportions.
15. Explain the Short run Average Cost curve and short run Marginal Cost curve with suitable diagrams.
16. Bring out the relationship between MR and AR.
17. What is meant by Price Rigidity? How is it explained through the Kinky Demand curve in Oligopoly?

SECTION C**ANSWER ANY TWO QUESTIONS. EACH ANSWER NOT TO EXCEED 1200 WORDS:****(2 X 20 = 40)**

18. Explain the application of the concept of Elasticity of Demand in various Government and Private Firms in modern business.
19. Explain how the Equilibrium price is attained under Monopolistic Competition
20. Explain the Law of Returns to scale of production in the long run diagrammatically.
21. How will you forecast demand for Nokia cell phones for the year 2013? Calculate with the help of the following empirical data. (Use $y=a+bx$ equation)

| Years | 2008 | 2009 | 2010 | 2011 | 2012 |
|---------------|--------|--------|--------|--------|--------|
| Sales (000's) | 45,000 | 52,000 | 48,000 | 55,000 | 60,000 |
