



JP – 378

I Semester M.Com. Examination, July 2022  
(2020 – 21 and Onwards) (CBCS Scheme)

COMMERCE

Paper – 1.3 : Principles and Practices of Business Decisions

Time : 3 Hours

Max. Marks : 70

**Instruction :** Answer **all** the questions as per instructions.

SECTION – A

1. Answer **any seven** questions out of ten. **Each** question carries **two** marks. (7×2=14)
- Define Managerial Economics.
  - State the canons of taxation.
  - What is Debt Trap ?
  - State the exemptions to law of demand.
  - Give the meaning of economies of scale.
  - What is predatory pricing ?
  - What is cardinal utility ?
  - State the problems in computing GDP.
    - What is perfect inelastic demand ?
    - What is demand based pricing ?

SECTION – B

Answer **any four** questions out of six, **each** question carries **five** marks. (4×5=20)

2. The following data refer to sales of a product for the last five years.

Year :	2017	2018	2019	2020	2021
Sales :	40,00,000	55,00,000	80,00,000	90,00,000	1,00,00,000

Forecast the demand for 2022, assuming same trend continues.

- Critically analyse behavioural theory of the firm.
- “Profit and Profit making is the only objective of a firm.” Comment.

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5. What factors influence pricing decisions ?
6. Critically analyse the methods of debt redemption.
7. What are the determinants of demand ?

## SECTION - C

Answer **any two** questions out of four. **Each** question carries **twelve** marks. (2×12=24)

8. Explain the properties of Indifference curve under what condition does a consumer attain equilibrium ?
9. Explain with reasons the behaviour of cost in the short and long run.
10. How do you compute National Income ? Explain in detail.
11. A large part of demand for Indian tea is from Abroad. In 2018, the total demand for Indian was  $Q = 5960 - 35P$  and the total supply was  $Q = 3230 + 25P$ . The domestic demand for tea was  $Q_D = 2810 - 17P$ . If the export demand for India tea drops by 25 percent, what would happen to the free market price of tea in India ?

## SECTION - D

(1×12=12)

12. Why does a country enter into debt trap ? Explain the reason of debt trap of Sri Lanka.

## SECTION - B

Answer any four questions out of six. Each question carries five marks. (4×5=20)

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3. Critically analyse behavioural theory of the firm.

4. "Profit and Profit making is the only objective of a firm." Comment.