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Pages: 2

Reg No.: _____

Name: _____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

B.Tech Degree S3 (S, FE) / S3 (PT) (S, FE) Examination December 2023 (2015 Scheme)



Course Code: HS200

Course Name: BUSINESS ECONOMICS

Max. Marks: 100

Duration: 3 Hours

PART A

Answer any three questions, each carries 10 marks.

Marks

- | | | |
|---|--|-----|
| 1 | a) What is business economics? And what do you mean by economic problem? | (4) |
| | b) Explain central problems in an economy. | (6) |
| 2 | a) Differentiate cardinal and ordinal utility analysis. | (5) |
| | b) Explain the law of diminishing marginal utility. | (5) |
| 3 | a) Explain relation between total utility and marginal utility. | (4) |
| | b) What is income elasticity of demand? Explain different types of income elasticity of demand with suitable examples. | (6) |
| 4 | a) Enumerate the exceptions of law of demand. | (4) |
| | b) State the law of returns to scale and explain the various types of returns to scale. | (6) |

PART B

Answer any three questions, each carries 10 marks.

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|---|--|-----|
| 5 | a) What is cost of production? Differentiate money cost and real cost. | (4) |
| | b) Explain the short run cost curves. | (6) |
| 6 | a) What are the different sectors of the economy? | (4) |
| | b) Explain the interdependence of the different sectors of the economy using the concept of circular flow of income. | (6) |
| 7 | a) What are the various features of monopolistic competition? | (4) |
| | b) What is 'break-even point'? Explain its importance in trading. | (6) |
| 8 | a) What are the measures of National Income accounting? | (6) |
| | b) Write a note on effects of inflation. | (4) |

PART C

Answer any four questions, each carries 10 marks.

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|----|--|-----|
| 9 | a) What is capital budgeting? | (2) |
| | b) Explain discounted and non discounted capital budgeting techniques. | (8) |
| 10 | a) Explain the steps involved in decision tree analysis | (5) |

08000HS200122001

- b) Suppose an initial investment of project 2500 and cost of capital is 10%. (5)
Estimate NPV of the project.

Year	Cash inflow
1	900
2	800
3	700
4	600
5	500

- 11 a) An investment of Rs.200000 is expected to generate Rs.70000, 60000, (6)
55000, 40000, 30000, 25000 from year one to six. Compute payback period of
the investment. Should the investment be made if management wants to
recover the initial investment in 3 years or less?
- b) Write any two advantages and disadvantage of Pay back method (4)
- 12 a) Explain GST with its salient features. (6)
- b) Differentiate FDI and FPI. (4)
- 13 a) What is demand forecasting? (2)
- b) With the help following data find the projected demand for the next three year (8)

Year	Production
1994	77
1995	88
1996	94
1997	85
1998	91
1999	98
2000	90

- 14 a) State the basic accounting rule. Define asset, capital & liability. (6)
- b) List out the merits and demerits of balance sheets. (4)
