Roll No.

Department of Management
School of Management and Business Studies
Jamia Hamdard
B.Com-Semester I
Odd Semester Examination - December 2025

Subject Name: Business Economics (Set A).................. **Max. Marks: 60**

Subject Code: ...BCH-DC-02................ **Time: 2.5 Hours**

***Attempt both sections as per instructions.**

Section A - Short Answer (6 x 4 = 24)

Instructions for Section A: Attempt any Six Questions. All questions carry equal marks

Q1: What are relevant and irrelevant costs?
Q2: Differentiate between Accounting and Economic Profit.
Q3: Why is the Long run average cost curve U-shaped?
Q4: Explain the concept of "Economic Region of Production."
Q5: Explain the difference between change in demand and change in quantity demanded with a graph.
Q6: A surge of 60% in petrol price resulted in a decline in the purchase of petrol by 15%. Calculate and comment on the price elasticity of demand.
Q7: Differentiate between Economies of Scale and Economies of Scope.
Q8: Define Marginal Rate of Technical Substitution?
Q9: How would an advanced process of manufacturing mustard oil affect the elasticity of supply of mustard oil?

Section B-Long Answer (3 x 12 = 36)

Instructions for Section B: Attempt any Three Questions. All questions carry equal marks

Q1: Explain the degrees of price elasticity of demand with suitable graphs.
Q2: Discuss the techniques of forecasting demand with suitable examples.
Q3: Suppose a pump manufacturer is producing in the short run where equipment is fixed. The manufacturer knows that as the number of labourers used in the production process increases from 1 to 7, the number of pumps produced changes as follows: 10, 17, 22, 25, 26, 25, and 23.

a) Calculate the marginal and average product of labour for this production function.
b) Does this production function exhibit increasing returns to labour or decreasing returns to labour or both? Explain.
c) Explain what might cause the marginal product of labour to become negative?

d) Why does a profit-maximizing producer would produce in stage-II and not in stage-I or III? Explain.

Q4: Discuss price and output determination in both short run and long run in monopolistic market structure with suitable illustration.

Q5: Discuss law of variable proportion and its importance in production analysis.

Q6: Explain factors affecting the location of firms.