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B.M.S COLLEGE FOR WOMEN, AUTONOMOUS
BENGALURU – 560004
SEMESTER END EXAMINATION – APRIL/MAY- 2023
M.Com.-I Semester

PRINCIPLES OF BUSINESS DECISIONS

Course Code: MCM103T

Duration: 3 Hours

QP Code:11014

Max. Marks: 70

Section – A

1. Answer any **Seven** Questions out of Ten. Each Question Carries Two Marks (**7x2=14**)
- What is a mixed economy?
 - State the objectives of macro economics.
 - What is meant by income elasticity of demand?
 - Define fiscal policy.
 - What is meant by disguised unemployment?
 - Give the meaning of debt trap.
 - State the various demand forecasting techniques.
 - What is meant by NNP?
 - What is product line pricing?
 - Give the meaning of cardinal utility.

Section – B

Answer any **Four** Questions out of Six. Each Question Carries Five Marks (**4x5=20**)

- Explain the interface of macro economics with business and industry.
- Briefly discuss the various concepts of national income.
- The present price of a good is Rs 4 and the demand for this good is 25 units. Suppose price of this good increases to Rs 5, and as a result, the demand for the good falls to 20 units. You are supposed to calculate price elasticity of demand and interpret the result.
- Enumerate the phases in law of returns to scale.
- What is dumping? Discuss the different types of dumping.
- Explain the components of public debt.

Section – C

Answer any **Two** Questions out of Four. Each Question Carries Twelve Marks (**2x12=24**)

- “Free market economy enables better allocation of resources, promotes innovation and injects dynamism in the industry.” Substantiate/ refute the statement highlighting the significance/ insignificance of free market economy.
- Discuss the different types of pricing strategies and its impact on business decisions.
- Explain the concept of short and long run cost functions with suitable diagram.

11. Enumerate the difficulties which an underdeveloped economy faces in the computation of national income.

Section – D
(Compulsory Skill-based Question on Subject / Paper)
Skill-based Question

(1x12=12)

12. An important lesson that the COVID-19 pandemic has taught the policymakers in India is to provide greater impetus to sectors that make better allocation of resources and reduce income inequalities. COVID-19 has also taught a lesson that in crisis the population returns to rely on the farm sector. India has a large fertile land, but the farm sector has its own structural problems. However, directly or indirectly, 50 percent of the households still depend on the farm sector. Greater support to MSMEs, higher public expenditure on health and education and making the labour force a formal employee in the economy are some of the milestones that the nation has to achieve.

One of the imminent reforms to be done in the country is labour reforms. Labour laws are outdated in India, and some of these date back to the last century.

India's complex labour laws have been blamed for keeping manufacturing businesses small and hindering job creation. Industry hires labour informally because of complex laws and that is responsible for low wages.

- a. Which types of structural problems are faced by the agricultural sector?
- b. "It is necessary to create employment in the formal sector rather than in the informal sector." Defend or refute the given statement with valid argument.
- c. What do you mean by MSMEs?