

# **QUESTION BANK IN ECONOMICS FOR THE REFERENCE OF F.Y.B.COM, F.Y.B.A. AND S.Y.B.COM STUDENTS**

## **F.Y.B.Com**

### **Business Economics I (Revised Syllabus)**

#### **Section I**

##### **Module 1**

1. Explain the following concepts:
  - a) Demand function
  - b) Elasticity of demand
  - c) Income elasticity of demand
  - d) Cross elasticity of demand
  - e) Promotional elasticity of demand
  - f) Consumer's surplus
  - g) Demand forecasting
2. Distinguish between:
  - a) Income elasticity of demand and Cross elasticity of demand / Promotional elasticity of demand
  - b) Direct and Indirect methods of demand forecasting
3. Discuss the various determinants of demand.
4. Explain different types of Income elasticity of demand.
5. What are the various types of Cross elasticity of demand.
6. Explain the concept of Promotional elasticity of demand.
7. Describe the concept of Consumer's surplus.
8. Explain steps involved in demand forecasting.
9. Discuss the direct methods of demand forecasting.
10. Discuss Indirect or Statistical methods of demand forecasting.

##### **Module 2**

1. Explain the following concepts:
  - a) Production function
  - b) Short run production function/ Law of variable proportions
  - c) Long run production function/ Laws of returns to scale
  - d) Cobb-Douglas Production function
  - e) Iso-quants
  - f) Iso-cost line/ Budget line
  - g) Economies of scale
  - h) Diseconomies of scale
  - i) Opportunity cost
  - j) Producer's surplus
2. Distinguish between:

- a) Short run production function and Long run production function
  - b) Increasing returns to scale and Decreasing returns to scale
  - c) Economies of scale and Diseconomies of scale
  - d) Social cost and Private cost
  - e) Money cost and Real cost
  - f) Economic cost and Accounting cost
  - g) Fixed cost and Variable cost
  - h) Average cost (AC) and Marginal cost (MC)
  - i) Average Fixed cost (AFC) and Average Variable cost (AVC)
  - j) Consumer's surplus and Producer's surplus
3. Explain the concept of production function.
  4. Discuss the Law of variable proportions.
  5. Write a note on Returns to scale.
  6. What is least cost combination? Discuss the conditions for Producer's equilibrium.
  7. Explain various Economies of scale.
  8. Explain the concept of Opportunity cost.
  9. Derive the various short run cost curves.
  10. Explain why LAC curve is known as a Planning curve.
  11. Write notes on:
    - a) Optimum firm
    - b) Producer's surplus

### **Module 3**

1. Explain the following concepts:
  - a) Total revenue
  - b) Average revenue
  - c) Marginal revenue
  - d) Break even point
2. Distinguish between:
  - a) Average revenue and Marginal revenue
  - b) Profit maximization and Growth maximization
3. Explain different concepts of revenue.
4. Discuss the relationship between TR, AR and MR under perfect competition.
5. Discuss the relationship between TR, AR and MR under monopoly.
6. Explain the various objectives of a firm.
7. Explain fully the concept of Break even analysis.
8. Explain the conditions for equilibrium of a firm under perfect competition.
9. Discuss the conditions for equilibrium of a firm under monopoly.

### **Section II**

## Module 4

1. Explain the following concepts:
  - a) Perfect competition
  - b) Monopoly
  - c) Monopolistic competition
  - d) Oligopoly
  - e) Equilibrium
  - f) Product differentiation
  - g) selling cost
  - h) Kinked demand curve
  - i) Excess profit
  - j) Normal profit
  - k) Losses
  - l) Firm
  - m) Industry
2. Distinguish between:
  - a) Distinguish between perfect competition and Monopoly
  - b) Monopoly and Monopolistic competition
  - c) Excess profit and Normal profit
  - d) Firm and Industry
3. Explain the features of perfect competition.
4. Explain how a firm attains equilibrium in the short run under perfect competition.
5. Explain how a firm attains equilibrium in the long run under perfect competition.
6. Discuss various features of monopoly.
7. Explain long run equilibrium of a monopoly firm.
8. Discuss the characteristic features of monopolistic competition.
9. Explain the wastes under monopolistic competition.
10. Explain the features of oligopoly.
11. Explain price rigidity with the help of kinky demand curve.

## Module 5

1. Explain the following concepts:
  - a) Price discrimination
  - b) Dumping
  - c) Marginal cost pricing
  - d) Cost-plus pricing
  - e) Multiple product pricing
  - f) Public goods
  - g) Market power
  - h) Externalities
  - i) Market failure
2. Distinguish between:
  - a) Marginal cost pricing and Cost plus pricing
  - b) First degree price discrimination and Second degree price discrimination
3. Explain the objectives of pricing policy.
4. What is discriminating monopoly? Describe the essential conditions for price discrimination.
5. Write notes on the following:
  - a) Dumping
  - b) Cost plus pricing
  - c) Marginal cost pricing
  - d) Multi product pricing
6. Explain the meaning of market failure. What role state can play in rectifying market failure?
7. What are the causes of market failure?

8. Explain the role of government intervention in economic development.

## **Module 6**

1. Explain the following concepts:
  - a) Capital Budgeting
  - b) Investment criteria
  - c) Pay Back Period method
  - d) Net Present Value method
  - e) Internal Rate of Return method
2. Distinguish between:
  - a) Pay Back Period and Net Present Value method
  - b) Net Present Value method and Internal Rate of Return method
3. Explain the meaning and significance / importance of capital budgeting.
4. Discuss the need for capital budgeting.
5. Explain the problems and difficulties in capital budgeting.
6. Explain the different stages of capital budgeting.
7. Write the notes on:
  - a) Pay Back Period method
  - b) Net Present Value method
  - c) Internal Rate of Return method

**BUSINESS ECONOMICS - I**  
**PAPER PATTERN (F.Y.B.Com)**

Total marks: 100  
Time:3 Hrs

- N.B. 1) Question No. 1 and 7 are compulsory.  
2) Attempt any two questions from the remaining questions from each section.

**Section I (Modules 1 to 3) 50 marks**

- Question 1 (A) Explain briefly the following concepts: (any four) 12 marks  
(B) Distinguish between: (any two) 06 marks

( Questions from module 1 to 3 )

- Question 2 ( Questions on Module 1) 16 marks  
Question 3 ( Questions on Module 2) 16 marks  
Question 4 (Questions on Module 2) 16 marks  
Question 5 (Questions on Module 3) 16 marks

- Question 6 Write notes: (Any two) 16 marks

( Questions from module 1 to 3 )

**Section II (Modules 4 to 6) 50 marks**

- Question 7 (A) Explain briefly the following concepts: (any four) 12 marks  
(B) Distinguish between: (any two) 06 marks

( Questions from module 4 to 6 )

- Question 8 (Questions on Module 4) 16 marks  
Question 9 (Questions on Module 5) 16 marks  
Question 10 (Questions on Module 5) 16 marks  
Question 11 (Questions on Module 6) 16 marks

- Question 12 Write notes: (Any two) 16 marks

( Questions from module 4 to 6 )

**Important Note : Students can study thoroughly any two modules from each section.** However students are advised to study the entire syllabus.

## **F.Y.B.A**

### **Economic Theory I**

#### **Section I**

##### **Module 1 Introduction**

1. Explain the following concepts:
  - a) Micro economics
  - b) Ceteris Paribus
  - c) Equilibrium
  - d) Partial equilibrium
  - e) General equilibrium
  - f) Managerial economics
  - g) Variables
  - h) Positive economics
  - i) Normative economics
2. Distinguish between:
  - a) Micro economics and Macro economics
  - b) Partial equilibrium and General equilibrium analysis
  - c) Positive economics and Normative economics
3. Discuss the meaning, scope and significance of micro economics.
4. Explain the uses and limitations of micro economics.
5. Explain the concept of Ceteris Paribus assumption.
6. Explain the meaning, significance and limitations of Partial equilibrium analysis.
7. Explain the meaning, significance and limitations of General equilibrium analysis.
8. Explain the concept of Managerial economics.
9. Discuss the different basic tools in economics.

##### **Module 2 Consumers Behaviour and Demand**

1. Explain the following concepts:
  - a) Law of demand
  - b) Determinants of demand
  - c) Elasticity of demand
  - d) Price elasticity of demand
  - e) Income elasticity of demand
  - f) Cross elasticity of demand
  - g) Promotional elasticity of demand
  - h) Indifference curve
  - i) Price effect
  - j) Income effect
  - k) Giffen's paradox
  - l) Revealed preference theory
  - m) Budget line/  
Price line
2. Distinguish between:
  - a) Price elasticity and Income elasticity
  - b) Price effect and Income effect
  - c) Cross elasticity and Income elasticity

3. Discuss the Law of equi-marginal utility.
4. Explain the various determinants of demand.
5. Discuss the various types of Price elasticity of demand.
6. Explain the concept of Income elasticity of demand with the help of its types.
7. Explain the concept of Consumer's surplus.
8. Explain the properties of indifference curves.
9. Explain the necessary and sufficient conditions for Consumer's equilibrium.
10. Derive the demand curve with the help of Price Consumption Curve (PCC).
11. Write a note on Revealed Preference Theory.

### **Module 3 Production and Cost Analysis**

1. Explain the following concepts:
  - a) Production function
  - b) Cobb Douglas production function
  - c) Iso-quants
  - d) Iso-cost line
  - e) Economies of scale
  - f) Money cost
  - g) Real cost
  - g) Opportunity cost
  - i) Social cost
  - j) Private cost
  - k) Fixed cost
  - l) Variable cost
2. Distinguish between:
  - a) Short run and Long run production function
  - b) Increasing returns to scale and Decreasing returns to scale
  - c) Iso-cost curve and Iso-quant curve
  - d) Money cost and Real cost
  - e) Fixed cost and Variable cost
  - f) Social cost and Private cost
3. Explain the law of variable proportions.
4. Discuss the conditions for producer's equilibrium.
5. Write a note on returns to scale.
6. Write a note on economies of scope.
7. Explain various economies of scale.
8. Explain different concepts of costs.
9. Explain relationship between various short run cost curves with the help of a diagram.
10. Derive the Average Cost curve in the Long run.
11. Explain the concept of Learning curve.

## Section II

### Module 4 Theory of Firm

1. Explain the following concepts:
  - a) Total Revenue
  - b) Average revenue
  - c) Marginal revenue
  - d) Profit maximization objective
  - e) Sales maximization objective
  - f) Growth maximization objective
  - g) Break even analysis
2. Distinguish between:
  - a) Average revenue and Marginal revenue
  - b) AR under perfect competition and AR under Monopoly
  - c) Profit maximization and Sales maximization
3. Discuss the relationship between TR, AR and MR under perfect competition.
4. Discuss the relationship between TR, AR and MR under monopoly.
5. What are the different objectives of a firm.
6. Explain fully the concept of Break-even analysis.
7. Explain the conditions for profit maximization of a firm under perfect competition.
8. Explain the conditions for profit maximization of a firm under monopoly.

### Module 5 Market Structure

1. Explain the following concepts:
  - a) Perfect competition
  - b) Firm
  - c) Industry
  - d) Monopoly
  - e) Discriminating monopoly
  - f) Dumping
  - g) Monopolistic competition
  - h) Selling cost
  - i) Oligopoly
  - j) Production cost
  - k) Production cost
  - l) Excess capacity
  - m) Kinked demand curve
  - n) Product differentiation
  - o) Price discrimination
2. Distinguish between:
  - a) Average revenue and Marginal revenue
  - b) AR under Perfect competition and Monopoly
  - c) Perfect competition and Monopoly
  - d) Monopoly and Monopolistic competition
  - e) Production cost and Selling cost
  - f) Monopoly and Discriminating monopoly
  - g) First degree and Second degree price discrimination
  - h) Normal profit and Excess profit
3. Explain the features of perfect competition.
4. Explain how a firm under perfect competition attains equilibrium in the short run.



5. Explain how a firm under perfect competition attains equilibrium in the long run.
6. Explain the features of monopoly.
7. Explain how monopolist attains equilibrium in the short run.
8. What is discriminating monopoly? Describe the essential conditions for price discrimination.
9. Explain the concept of dumping.
10. Discuss the features of monopolistic competition.
11. Explain how a firm attains equilibrium in the short run under monopolistic competition.
12. Discuss the wastes of monopolistic competition.
13. Explain the meaning and features of oligopoly market.

## **Module 6 Pricing methods and Capital budgeting**

1. Explain the following concepts:
  - a) Marginal cost pricing
  - b) Full cost pricing
  - c) Multi product pricing
  - d) Limit pricing
  - e) Capital Budgeting
  - f) Pay Back Period method
  - g) Net Present Value method
2. Distinguish between :
  - a) Marginal cost pricing and Full cost pricing
  - b) Pay Back Period method and Net Present Value method
3. What are the objectives of pricing policy?
4. Explain the concept and limitations of full cost pricing.
5. Write notes on:
  - i) Marginal cost pricing
  - ii) Multi product pricing
  - iii) Bain's Limit Pricing model
6. Explain the meaning and importance of capital budgeting.
7. Explain the need for capital budgeting.
8. Explain the different stages of capital budgeting.
9. Discuss the Pay Back Period method of project appraisal.
10. Explain the Net Present Value method of project appraisal.



## **S.Y.B.Com**

### **Business Economics II (Revised Syllabus)**

#### **Section I**

#### **Module 1 Macroeconomics : Theory of Income and Employment**

1. (A) Explain the following concepts:
  - a) Circular flow of income
  - b) Business cycle
  - c) Prosperity
  - d) Recession
  - e) Depression
  - f) Recovery
  - g) Aggregate demand
  - h) Aggregate supply
  - i) Multiplier
  - j) Acceleration
  - k) Super multiplier
- (B) Distinguish between:
  - a) Circular flow of income model in Closed and Open economy
  - b) Prosperity and Depression
  - c) Recession and Depression
  - d) Aggregate demand and Aggregate supply
  - e) Multiplier and Super multiplier
2. Explain the process of income generation a two sector model.
3. Explain how income is generated in an open economy.
4. What is a business cycle? Explain it's different features.
5. Explain the different phases of a trade cycle.
6. Explain Keynes' Theory of Income determination.
7. What is investment multiplier? Explain the working of investment multiplier.
8. Explain the meaning and working of Accelerator.
9. What is super multiplier? Explain the working of super multiplier in explaining the business cycles.

#### **Module 2 Monetary Economics**

1. (A) Explain the following concepts:
  - a) Money supply
  - b) Velocity of circulation of money
  - c) Demand for money
  - d) Active cash balances
  - e) Idle cash balances
  - f) Liquidity trap
  - g) Inflation
  - h) Demand pull inflation
  - i) Cost push inflation
  - j) Phillips curve
  - k) Liquidity preference theory of interest
- (B) Distinguish between:
  - a) Supply of money and Demand for money
  - b) Active cash balances and Idle cash balances
  - c) Demand pull inflation and Cost push inflation
2. Explain the RBI's approach to the measurement of money supply.
3. Discuss the determinants of money supply.
4. Explain the concept and determinants of velocity of circulation of money.
5. Explain the meaning and functions of money.
6. Explain the Keynes approach to demand for money.

7. Critically examine the Liquidity Preference Theory of interest.
8. Explain the concept of inflation and explain the types of inflation based on rates.
9. Explain the concept and causes of Demand pull inflation.
10. Explain the concept and causes of Cost push inflation.
11. Discuss the various causes of inflation.
12. Explain the effects of inflation.
13. Discuss the monetary measures to control inflation.
14. Explain direct measures to control inflation.
15. Write a note on Phillips curve hypothesis.

### **Module 3 Banking and Integration of Product and Money Market Equilibrium**

1. (A) Explain the following concepts:
  - a) Commercial bank b) Liquidity aspect of a commercial bank c) Profitability aspect of a commercial bank d) Money multiplier e) Monetary policy f) Fiscal policy g) Bank rate h) Cash Reserve Ratio i) IS curve j) LM curve
- (B) Distinguish between:
  - a) Liquidity and Profitability of a bank
  - b) Monetary policy and Fiscal policy
  - c) IS curve and LM curve
  - d) Quantitative instruments and Qualitative instruments of Monetary policy
2. Explain the concept of commercial bank and also explain its assets and liabilities.
3. Explain the concepts of liquidity and profitability in the context of a commercial bank.
4. Write a note on the money multiplier.
5. Explain the meaning and objectives of monetary policy.
6. Explain the quantitative instruments of monetary policy.
7. Explain the qualitative or selective instruments of monetary policy.
8. Explain the meaning and objectives of fiscal policy.
9. Explain the impact of an expansionary fiscal policy on national income.
10. Write a note on contractionary fiscal policy.
11. Explain the derivation of IS curve.
12. Explain the derivation of LM curve.
13. Derive the simultaneous equilibrium in the goods and money market.

## **Section II**

### **Module 4 Basic issues in Economic Development**

1. (A) Explain the following concepts:

- a) New industrial policy 1991 b) Industrial deregulation c) Disinvestment
- d) Inclusive growth e) Human development f) Organised sector g) Unorganised sector
- h) Rural unemployment in India i) Urban unemployment in India

(B) Distinguish between:

- a) Agricultural sector and Service sector in national income
- b) Primary education and Higher education
- c) Organized sector and Unorganized sector
- d) Rural unemployment and Urban unemployment

2. Explain the main features of New Industrial Policy 1991.
3. Critically examine the New Industrial Policy 1991.
4. Discuss the main trends in India's national income since 1991.
5. Explain the trends in the occupational structure in India since 1991.
6. Explain the concept of Inclusive growth.
7. Explain the measures initiated by the government to bring about inclusive growth in India.
8. What are the measures taken by the government to promote education in India.
9. Write a note on human development through health.
10. Examine the trends in employment since 1991.
11. Explain the causes of unemployment in India.
12. Explain the employment generation programmes undertaken by the government in India.

## **Module 5 Agriculture, Industry and Service sectors**

1. (A) Explain the following concepts:
  - a) National Agriculture Policy 2000 b) Public Distribution System c) Food security
  - d) MRTP e) Competition Act f) Industry g) Service sector h) Agreements on Agriculture (AoA) i) Small scale industry
- (B) Distinguish between:
  - a) Agriculture and Industry
  - b) Industry and Service sector
  - c) MRTP and Competition Act
2. Explain the trends in agricultural production and productivity since 1991 in India.
3. What are the causes of low agricultural productivity in India?
4. Write a note on Food security in India.
5. Explain the main features of Agreements on Agriculture (AoA).
6. Discuss the trends in industrial production since 1991 in India.
7. Examine the role of small scale sector in Indian economy.
8. Discuss the measures initiated to promote small scale sector after 1991.
9. Write a note on MRTP Act.
10. Explain the provisions of Competition Act 2002.

11. Explain the contribution of service sector to India's national income.

## **Module 6 Banking and Monetary Policy since 1991**

1. (A) Explain the following concepts:
  - a) Public sector banks
  - b) NPAs
  - c) Reserve Bank of India
  - d) Monetary Policy
  - e) Bank rate (BR)
  - f) Open Market Operations (OMO)
  - g) Cash Reserve Ratio (CRR)
  - h) Liquidity Adjustment Facility (LAF)
2. Examine the rationale banking sector reforms in India.
3. Explain the impact of banking sector reforms in India.
4. Examine the progress of commercial banking after the reforms in 1991.
5. Explain the important development functions of the RBI.
6. Examine the various causes of inflation since 1991.
7. Discuss the various measures to control inflation in India.
8. Examine the recent developments in RBI's monetary policy.

