

B. COM. DEGREE (C.B.C.S.S) EXAMINATION, MARCH 2018**(2015 Admission Regular)****SEMESTER VI - COMPLEMENTARY COURSE 2 (COMMERCE)****CO6C02B - PRINCIPLES OF BUSINESS DECISIONS (T)****Time : 3 Hours****Maximum Marks : 80****Part A****I. Answer all questions. Each question carries 1 marks****(6x1=6)**

1. What are rational decisions?
2. What is substitution effect?
3. What is Iso cost line?
4. What is past cost?
5. What is Variable cost?
6. What is recession?

Part B**II. Answer any Seven questions. Each question carries 2 marks****(7x2=14)**

7. State the difference between programmed and non-programmed decisions.
8. What is demand curve?
9. What is long run demand forecasting?
10. What is forecasting?
11. What is least cost input combination?
12. Explain the law of diminishing returns.
13. Explain the two terms Average cost and Marginal cost.
14. What is replacement cost and historical cost?
15. What is LMC?
16. What is monetary policy?

Part C**III. Answer any Five questions. Each question carries 6 marks****(5x6=30)**

17. What are the points that highlight the importance of decision making?
18. What are the determinants of demand?
19. Examine the methods used to measure the price elasticity of demand.
20. Explain Cobb-Douglas production function.
21. What is economies of scale? How it is classified?
22. What are the differences between perfect competition and monopoly?
23. What are the objectives of pricing?
24. Explain the measures taken to minimize the effect of business cycle on firms.

Part D**IV. Answer any Two questions. Each question carries 15 marks****(2x15=30)**

25. Explain the areas where economic principles are applied in business decision making.
26. Explain briefly about the different classification of the concept of elasticity of demand.
27. What is oligopoly? What are the features of oligopoly and what are the approaches for determining price and output under oligopoly?
28. Explain Inflation and what are the causes of Inflation?