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St. Claret College

Autonomous, Bengaluru

ROLL NO:

DATE:



PG END SEMESTER EXAMINATION-JANUARY/FEBRUARY 2026

M.Com: FIRST SEMESTER

MCO 1324: PRINCIPLES AND PRACTICES OF BUSINESS DECISIONS

TIME: 3 hours.

MAX. MARKS: 70

This paper contains TWO printed pages and FOUR parts

Instructions:

1. Verify and ensure that the question paper is completely printed.
2. Any discrepancies or questions about the exam paper must be reported to the COE within 1 hour after the examination.
3. Students must check the course title and course code before answering the questions.

PART-A

Answer any EIGHT questions out of TEN. Each answer carries TWO marks. [8x2 = 16]

1. Differentiate between Micro-Economics and Macro-Economics.
2. State the formula for calculating GNP.
3. State the determinants of demand.
4. Why would budget deficit good for a nation?
5. Highlight external economies of scale.
6. What is iso-cost and iso-quant?
7. Give the meaning of sporadic dumping.
8. What are the types of price discrimination?
9. What is debt trap?
10. State the use of elasticity of demand.

PART-B

Answer any FOUR questions out of SIX. Each answer carries FIVE marks. [4x5=20]

11. Briefly explain the emergence of parallel economy in a country like India.

12. By the method of least squares, compute the trend value for each of the 5 years and forecast the annual sale for the year 2023 from the figures below.

YEAR	2018	2019	2020	2021	2022
SALES IN LAKHS	50	62	78	48	74

13. What is public expenditure? What are the canons of public expenditure?
14. "A firm reaches its equilibrium when marginal cost (MC) equals marginal revenue (MR). How does this condition determine the optimal output level for the firm?"
15. Highlight how pricing decisions influence a business's production, sales strategies, and overall profitability.
16. Critically evaluate the canons of taxation in the modern economy.

PART-C

Answer any TWO questions out of THREE. Each answer carries TEN marks. [10X2=20]

17. How can a nation reduce its debt through debt redemption?
18. Compare and contrast the factors influencing demand for both consumer durable and non-durable goods.
19. Describe the various pricing approaches implemented during each stage of a product's life cycle and how they align with the product's market position and demand.

PART-D

Compulsory skill-based question/ case study [14X1=14]

20. Zara, a popular clothing store, is known for quickly responding to what customers want. The company is able to predict what clothes will sell well by looking at past sales and current trends. This helps them make sure their stores have the right products at the right time. Zara can adjust quickly if something becomes popular, ensuring they don't run out of stock or have too much of an item that isn't selling. By keeping track of what people are talking about and wearing, Zara stays ahead in the fast-changing fashion world. This helps them keep their customers happy and stay competitive.
- In what ways does Zara gather customer insights to understand emerging trends and preferences? (7Marks)
 - How does Zara track and respond to fashion trends in real-time to adjust its inventory? (7Marks)
