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**JP – 378**

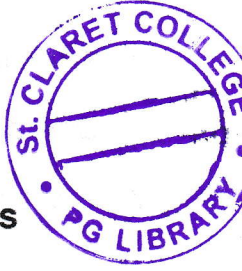## I Semester M.Com. Examination, July 2022
### (2020 – 21 and Onwards) (CBCS Scheme)
### COMMERCE
Paper – 1.3 : Principles and Practices of Business Decisions

Time : 3 Hours                                                                     Max. Marks : 70

**Instruction :** *Answer* **all** *the questions as per instructions.*

### SECTION – A

1. Answer **any seven** questions out of ten. **Each** question carries **two** marks.   (7×2=14)

   a) Define Managerial Economics.

   b) State the cannons of taxation.

   c) What is Debt Trap ?

   d) State the exemptions to law of demand.

   e) Give the meaning of economies of scale.

   f) What is predatory pricing ?

   g) What is cardinal utility ?

   h) State the problems in computing GDP.

   i) What is perfect inelastic demand ?

   j) What is demand based pricing ?

### SECTION – B

Answer **any four** questions out of six, **each** question carries **five** marks.   (4×5=20)

2. The following data refer to sales of a product for the last five years.

   | Year : | 2017 | 2018 | 2019 | 2020 | 2021 |
   |---|---|---|---|---|---|
   | Sales : | 40,00,000 | 55,00,000 | 80,00,000 | 90,00,000 | 1,00,00,000 |

   Forecast the demand for 2022, assuming same trend continues.

3. Critically analyse behavioural theory of the firm.

4. "Profit and Profit making is the only objective of a firm." Comment.

P.T.O.

5. What factors influence pricing decisions ?

6. Critically analyse the methods of debt redemption.

7. What are the determinants of demand ?

## SECTION – C

Answer **any two** questions out of four. **Each** question carries **twelve** marks.    (2×12=24)

8. Explain the properties of Indifference curve under what condition does a consumer attain equilibrium ?

9. Explain with reasons the behaviour of cost in the short and long run.

10. How do you compute National Income ? Explain in detail.

11. A large part of demand for Indian tea is from Abroad. In 2018, the total demand for Indian was $Q = 5960 - 35P$ and the total supply was $Q = 3230 + 25P$. The domestic demand for tea was $Q_D = 2810 - 17P$. If the export demand for India tea drops by 25 percent, what would happen to the free market price of tea in India ?

## SECTION – D                                                  (1×12=12)

12. Why does a country enter into debt trap ? Explain the reason of debt trap of Sri Lanka.

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