

Reg. No. : .....

Name : .....

**First Year B.Com. Degree Examination, September 2019**

**Part III**

**Paper I: PRINCIPLES OF BUSINESS DECISIONS**

**(2006 Admission onwards)**

Time : 3 Hours

Max. Marks : 100

**SECTION — A**

Answer **any ten** questions. Each question carries **2** marks.

1. Define Capital Budgeting.
2. What is Supply?
3. Define Oligopoly.
4. What is meant by Monetary Policy?
5. Define Demand.
6. What is Production Function?
7. What is Price Skimming?
8. What is Time Value of Money?
9. What is Decision Making?

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10. What is meant by BEP?
11. What is Recession?
12. What is meant by IRR?

(10 × 2 = 20 marks)

### SECTION — B

Answer **eight** questions. Each question carries **5** marks.

13. What are the characteristics of Boom?
14. Explain the need of Cost Analysis?
15. What is Price Discrimination?
16. State the advantages and disadvantages of NPV?
17. What are the causes of Under Capitalisation?
18. What are the features of Monopolistic Competition?
19. What are the properties of Isoquant Curves?
20. What are the essentials of Demand Forecasting?
21. What is Laws of Return to Scale?
22. What are the exceptions to the Law of Demand?
23. Write short note on Kinked Demand Curve.
24. A project requires an investment of Rs.5,00,000 and has a scarp value of Rs.20,000 after 5 years. Its expected yield profits after depreciation and tax during the year amounting to Rs.40,000, Rs.60,000 Rs.70,000. Rs.50,000 and Rs.20,000. Calculate ARR of the investment.

(8 × 5 = 40 marks)

### SECTION — C

Answer **two** questions. Each question carries **20** marks.

25. Briefly discuss the kinds of Elasticity of Demand?
26. What is Business Cycle? What are the phases of Business cycle?
27. X Ltd is producing articles mostly by manual labour and is considering to replace it by a new machine. There are two models M and N of the new machines. Prepare a statement showing profitability of Pay back period from the following information.

	Machine M	Machine N
Estimated life of the machine	4 years	5 years
Cost of machine	90,000	1,80,000
Estimated saving in scarp	5,000	8,000
Estimated savings in direct wages	60,000	80,000
Additional cost of maintenance	8,000	10,000
Additional cost of supervision	12,000	18,000

28. What is Monopoly? Explain price determination under Monopoly.

**(2 × 20 = 40 marks)**