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Reg. No.....

Name.....

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, JUNE 2026

Sixth Semester

Commerce

Complementary Course—PRINCIPLES OF BUSINESS DECISIONS

{Common for Co-operation, Finance and Taxation and Travel and Tourism}

(2014—2016 Admissions—Mercy Chance)

[For Private Registration Candidates]

Time : Three Hours

Maximum Weight : 25

Instructions : *This question paper contains two sections. Answer Section I questions in the answer book provided. Section II Internal Examination questions must be answered in the question paper itself. Follow the detailed instructions given under Section II.*

Section I

PART A

Answer all questions.

Each bunch of four questions carries a weight of 1.

I. Choose the correct answer from the choices given below :

- 1 Business decision making is the process of _____.
 - a) Recording transactions.
 - b) Preparing final accounts.
 - c) Selecting the best alternative.
 - d) Sales maximization.
- 2 Price elasticity of demand measures the responsiveness of _____.
 - a) Supply to price.
 - b) Cost to output.
 - c) Demand to income.
 - d) Demand to changes in price.
- 3 In production function, k generally represents :
 - a) Capital.
 - b) Knowledge.
 - c) Labour.
 - d) Cost.

Turn over





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4 A period of declining economic activity is known as _____.

- a) Boom.
- b) Recession.
- c) Recovery.
- d) Depression.

II. Fill in the blanks :

- 5 In perfect completion, a firm is a _____.
- 6 In monopoly, the seller has considerable control over _____.
- 7 The short - run cost curve generally includes only _____ costs.
- 8 When price elasticity of demand is less than 1, demand is _____.

III. State whether the following statements are True or False :

- 9 Opportunity cost refers to cost of production.
- 10 The equi-marginal principle is also known as law of substitution.
- 11 The law of diminishing returns operates in the short-run.
- 12 The phase following depression is generally recession.

IV. Match the following :

- | | |
|------------------------|---|
| 13 Substitute goods | a) Relationship between inputs and outputs. |
| 14 Price skimming | b) Price determined by demand and supply. |
| 15 Market price | c) Cars and petrol. |
| 16 Production function | d) Charging a high initial price. |
| | e) Tea and Coffee. |
| | f) Charging a low initial price. |

(4 × 1 = 4)

PART B

*Answer any **five** questions.*

Each question carries a weight of 1.

- 17 Define short-run decision -making.
- 18 Define equi-marginal principle.





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- 19 What is a demand function ?
- 20 What is unitary elastic demand ?
- 21 What is an isoquant map ?
- 22 Define oligopoly and state its features.
- 23 What is price discrimination ?
- 24 How does over- investment lead to business cycle ?

(5 × 1 = 5)

PART C

*Answer any **four** questions.
Each question carries a weight of 2.*

- 25 Explain the law of demand and its exceptions.
- 26 Discuss the objectives and importance of demand forecasting.
- 27 Illustrate the Law of Variable Proportions with a suitable diagram.
- 28 Discuss the short-run price determination under perfect competition.
- 29 What is a kinked demand curve ? Explain its assumptions and features.
- 30 Explain the psychological theory of business cycles.

(4 × 2 = 8)

PART D

*Answer any **two** questions.
Each question carries a weight of 4.*

- 31 Explain the different degrees of price elasticity of demand. Discuss the factors determining price elasticity of demand.
- 32 Explain the significance of cost-out relationship in managerial decision making in the short-run.
- 33 Discuss the process of price and output determination under monopolistic competition with the help of AR, MR, AC, and MC curves.

(2 × 4 = 8)

