

# **B.Com First Semester Exam**

(Exam Oriented Question Bank)

## **Subject: Economics (Subject Code-MD-1)**

### **Unit 1: Demand, Supply & Consumer Behavior**

1. Explain the Law of Demand and its assumptions. Also, state its exceptions.
2. Distinguish between Change in Demand and Change in Quantity Demanded with examples.
3. Explain the Law of Supply and its determinants.
4. Distinguish between Change in Supply and Change in Quantity Supplied with examples.
5. Explain Market Equilibrium and show it with a diagram.
6. Define Price Elasticity of Demand and explain the types of elasticity with diagrams.
7. Define Price Elasticity of Supply and explain the factors affecting it.
8. Explain the concepts of Total Utility and Marginal Utility, and their relationship.
9. Explain Indifference Curve Analysis, its assumptions, properties, and uses.
10. Explain the Budget Line and how it helps in consumer equilibrium.
11. Explain Consumer Equilibrium using Marginal Utility Approach and Indifference Curve Approach.
12. Explain the Income Effect and Substitution Effect with examples.
13. Explain Price Consumption Curve (PCC), Income Consumption Curve (ICC), and Engel Curve with diagrams.

### **Unit 2: Production Function, Cost & Market Structure**

1. Explain the Production Function and its importance in economics.
2. Explain the Law of Variable Proportion (Law of Diminishing Returns) with diagram.
3. Explain Isoquants and Producer's Equilibrium using the Isoquant and Isocost approach.
4. Explain Returns to Scale (Increasing, Constant, and Decreasing) with diagrams.
5. Explain Short-Run Costs and Long-Run Costs with diagrams.
6. Explain Perfect Competition and derive short-run and long-run equilibrium of a firm.
7. Explain Monopoly Market, short-run and long-run equilibrium, and deadweight loss / allocative inefficiency.

8. Explain Monopolistic Competition, short-run and long-run equilibrium, and excess capacity problem.
9. Explain Oligopoly Market and the Kinked Demand Curve Theory with diagram.
10. Explain Price and Output Determination under different market structures.

### **Unit 3: National Income Accounting**

1. Define National Income and explain its importance.
2. Explain Gross Domestic Product (GDP) and distinguish it from Gross National Product (GNP).
3. Explain the concepts of Net National Product (NNP), National Income at Factor Cost, and Personal Income.
4. Explain the methods of measuring National Income: Product Method, Income Method, and Expenditure Method.
5. Explain the Circular Flow of Income in a closed economy with diagram.
6. Explain the Circular Flow of Income in an open economy with diagram.
7. Explain the difference between nominal and real National Income.

### **Unit 4: National Income Equilibrium & Macro Economic Problems**

1. Explain the Consumption Function and distinguish between Average Propensity to Consume (APC) and Marginal Propensity to Consume (MPC).
2. Explain the concept of Investment and the Investment Multiplier with examples and diagram.
3. Explain the Business Cycle and its phases with diagram.
4. Explain the role of RBI and Monetary Policy in controlling the economy.
5. Explain Inflation, its causes, and effects on the economy.
6. Explain Interest Rates, types, and their effect on investment and consumption.
7. Explain Foreign Exchange Rates, Balance of Payments, and their impact on the economy.
8. Explain the equilibrium level of National Income in two-sector and three-sector models with diagrams.



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