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Reg. No.....

Name.....

**FIVE YEAR B.B.A., LL.B., (HONOURS) DEGREE EXAMINATION  
DECEMBER 2025**

**First Semester**

**FB 3—BUSINESS ECONOMICS**

(2025 Admissions—Regular/2018 to 2024 Admissions—Supplementary)

Time : Three Hours

Maximum : 75 Marks

**Part A**

*Answer any five of the following.*

*Each question carries 3 marks.*

1. What is decision-making ?
2. Narrate Capitalism.
3. What do you understand by the term "Demand" ?
4. Distinguish between Autonomous and Derived demand.
5. What is Delphi method of demand forecasting ?
6. Write two features of Oligopoly market.

(5 × 3 = 15 marks)

**Part B**

*Answer any three of the following.*

*Each question carries 10 marks.*

7. Explain the steps involved in decision-making.
8. Explain the features of a monopolistic market situation.
9. What is NPV ? Give the merits and demerits of NPV.
10. Narrate the significance of Capital Budgeting and highlighting its need. Also explain the demand for capital resource allocation.

(3 × 10 = 30 marks)

**Turn over**

**Part C**

*Answer any two of the following.*

*Each question carries 15 marks.*

11. What is price elasticity ? Describe the various kinds of price elasticity with diagrams.
12. Define monopolistic competition. Explain the price and output determination of a monopolistic market.
13. Project A has an initial investment of 1,00,000 and the earnings after tax but depreciation is Rs. 20,000. Project B has initial investment of Rs. 1, 00,000 but the inflows that is the earnings after tax but depreciation over project life are 20,000, 30,000, 30,000, 40,000, and 40,000 for the next 5 years. Rate of depreciation - straight line Method -10%.  
Cost of capital – 12%. No scrap value for the project A and B. Income tax rate is – 50%  
Select the project using payback period.

(2 × 15 = 30 marks)