

**FIRST SEMESTER M.B.E. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, NOVEMBER 2021**

(CBCSS)

Master of Business Economics

MBE 1C 05—PROJECT APPRAISAL AND IMPACT ANALYSIS

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

General Instructions

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Part A (Multiple Choice Questions)

*Answer **all** questions.*

*Each bunch of **five** questions carries a weightage of 1.*

1. Resources refers to :
 - a) Manpower.
 - b) Machinery.
 - c) Materials.
 - d) All of the above.
2. Which of the following is the definition of a project ?
 - a) Temporary endeavor undertaken to create a unique product, service, or result.
 - b) An ongoing activity that is a part of daily operations.
 - c) Neither (a) nor (b).
 - d) Both (a) and (b).

Turn over

3. Which of the following conditions of a project is wrong ?
- a) A project is finite.
 - b) Usually complex.
 - c) Repetitive.
 - d) It is unique.
4. Project identification is generally done through _____ ?
- a) Brainstorming.
 - b) Questionnaire
 - c) Fundamental analysis.
 - d) Technical analysis
5. Which is not a part of project appraisal ?
- a) Market appraisal.
 - b) Technical appraisal.
 - c) Financial appraisal.
 - d) Human resource appraisal.
6. A _____ is a decision support tool that uses a tree-like graph or model of decisions and their possible consequences, including chance event outcomes, resource costs, and utility.
- a) Decision tree.
 - b) Graphs.
 - c) Trees.
 - d) Neural Networks.
7. How the decision tree reaches its decision ?
- a) Single test.
 - b) Two test.
 - c) Sequence of test.
 - d) No test.
8. Which of the following is a tool used to secure expert judgment ?
- a) Peer Review.
 - b) Delphi Technique.
 - c) Expected value technique.
 - d) Work Breakdown Structure (WBS).
9. Which of the following is not a form of organizational structure ?
- a) Functional.
 - b) Project.
 - c) Grouped.
 - d) Matrix.
10. Which of the following is longest phase of a Project life cycle in terms of time ?
- a) Concept phase.
 - b) Implementation phase.
 - c) Planning phase.
 - d) Termination phase.

11. Which of the following is not a technique for stand-alone risk analysis ?
- a) Sensitivity analysis. b) Market analysis.
c) Scenario analysis. d) Simulation analysis.
12. Technical analysis is related with ?
- a) Technological aspects. b) Marketing aspects.
c) Financial aspects. d) Quality aspects.
13. In which of the following project phases is the project schedule developed ?
- a) Conceptual. b) Planning.
c) Implementation. d) Design.
14. The time necessary to complete a project is referred to as :
- a) Implementation Time. b) Lifecycle.
c) Operation cycle. d) Production cycle.
15. Which from the following represents the correct project cycle :
- a) Planning-Initiating-Executing-Closing.
b) Planning-Executing-Initiating-Closing.
c) Initiating-Planning-Executing-Closing.
d) Initiating-Executing-Planning-Closing.

(15 × 1/5 = 3 weightage)

Part B (Very Short Answer Questions)

Answer any five questions.

Each questions carries 1 weightage.

16. What are the sources of project ideas ?
17. Define project appraisal
18. What is Social Cost Benefit analysis ?
19. What do you mean by technical analysis of a project ?
20. Define project finance.
21. What are the two broader categories of risk analysis methods ?

Turn over

22. Define econometric model.
23. What is social cost?

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

*Answer any seven questions.
Each question carries 2 weightage.*

24. Describe the economic appraisal of a project
25. What are the steps involved in its formulation ?
26. What are the advantages and disadvantages of social cost benefit analysis ?
27. What are the significances of social cost benefit analysis comparing to commercial cost benefit analysis ?
28. What factors have a bearing on choice of technology ?
29. What are the steps involved in constructing an econometric model ?
30. What are the three levels of political economy analysis ?
31. Describe the five-stage analytical framework of political economy.
32. What are the tools and techniques of project risk identification ?
33. Describe the process of project risk management.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

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

34. Discuss about the various aspects of project appraisal ?
35. Explain the Little-Mirrlees approach of social cost benefit analysis.
36. Explain the methods of demand forecasting.
37. Discuss about project risk and its types.

(2 × 4 = 8 weightage)

**FIRST SEMESTER M.B.E. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, NOVEMBER 2021**

(CBCSS)

Master of Business Economics

MBE 1C 04—ORGANISATIONAL BEHAVIOUR AND DEVELOPMENT

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

General Instructions

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Part A (Multiple Choice Questions)

Answer all questions.

Each question carries 1/5 weightage.

1. The study of people at work in organization is called _____.
 - a) Working environment.
 - b) Organizational culture.
 - c) Organizational development.
 - d) Organizational behaviour.
2. Learning through both observation and direct experience refers to _____ theory.
 - a) Social-learning.
 - b) Cognitive.
 - c) Operant learning.
 - d) Classical conditioning.
3. A persistent tendency to feel and behave in a particular way towards some objects, persons or events is defined as _____.
 - a) Values.
 - b) Attitude.
 - c) Ethics.
 - d) Perception.

Turn over

4. _____ causes goal-directed behavior.
- a) Need.
 - b) Motivation.
 - c) Stress.
 - d) Perception.
5. Expectancy theory of motivation is propounded by _____.
- a) Maslow.
 - b) Mc Celland.
 - c) Vroom.
 - d) Urwick.
6. _____ theory of motivation is based on the social exchange process.
- a) Equity.
 - b) X.
 - c) Y.
 - d) ERG.
7. Collection of two or more individuals, interacting and interdependence, who have come together to achieve common objectives is called _____.
- a) Group cohesiveness.
 - b) Group norms.
 - c) Collective bargaining
 - d) Group.
8. Which of the following is not a type of formal group ?
- a) Command group.
 - b) Task group.
 - c) Committees.
 - d) Reference group.
9. Which one of the following is not a characteristic of a team ?
- a) Minimal and formal knowledge sharing.
 - b) Collective output.
 - c) Individual and collective responsibility.
 - d) Fluid dimension to roles and tasks.
10. Process which begins when one party perceives that the other has frustrated, or is about to frustrate, some concern of his is known as _____.
- a) Risk.
 - b) Conflict.
 - c) Uncertainty.
 - d) Poor management.
11. _____ aspect of conflict is derived from the interactionist view.
- a) Positive.
 - b) Goal.
 - c) Negative.
 - d) Value.

Part C (Short Answer Questions)

Answer any seven questions.

Each question carries 2 weightage.

24. Explain the key elements of Organizational Behaviour ?
25. Discuss Classical conditioning theory of learning.
26. State the main features of Theory Y and its implications for managers.
27. Explain Vroom's Expectancy theory.
28. Describe the group development process.
29. How do synergy and social loafing emerge in groups ?
30. Briefly explain the modern approaches to conflict.
31. Enumerate the causes of inter-personal conflict.
32. What are the different types of organizational change ?
33. What are the factors influencing choice of an organizational development intervention ?

(7 × 2 = 14 weightage)

Part D (Essay Type Questions)

Answer any two questions.

Each question carries 4 weightage.

34. Explain the personality traits needed by a manager.
35. Evaluate the Principle centered approach to team development.
36. 'Even organizations which we consider to be ideal ones are not free from conflicts'. Comment in the light of your knowledge.
37. Explain the steps involved in organizational diagnosis.

(2 × 4 = 8 weightage)

**FIRST SEMESTER M.B.E. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, NOVEMBER 2021**

(CBCSS)

Master of Business Economics

MBE 1C 03—PRINCIPLES OF BUSINESS FINANCE AND ACCOUNTING

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

General Instructions

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Part A

*Answer **all** questions.*

*Each bunch of **five** questions carries a weightage of 1.*

Multiple Choice Questions :

1. The assets that can be converted into cash within a short period (i.e. 1 year or less) are known as :
 - a) Current assets.
 - b) Fixed assets.
 - c) Intangible assets.
 - d) Investments.
2. The first step of accountancy is :
 - a) Journal Entry.
 - b) Ledger Posting.
 - c) Balancing of Accounts.
 - d) Trial Balance.
3. Investment decisions are otherwise called as _____.
 - a) Financing.
 - b) Liquidity Decisions.
 - c) Capital Budgeting.
 - d) Dividend Decision.

Turn over

4. Operating Leverage multiplies :
- a) EBIT.
 - b) EPS.
 - c) Sales.
 - d) All the above.
5. When $r > k$, dividend payout percentage according to Walter's model :
- a) 0 %.
 - b) 100 %.
 - c) 50 %.
 - d) 75 %.
6. Firm's investment in current assets is called :
- a) Liquidity.
 - b) Gross working capital.
 - c) Net working capital.
 - d) Financing.
7. Which method does not consider the entire stream of cash flows ?
- a) ARR.
 - b) IRR.
 - c) Payback period.
 - d) NPV.
8. Value of one Rupee today is greater than value of one Rupee tomorrow is termed as :
- a) Time value of Money.
 - b) Risk.
 - c) Return.
 - d) None of the above.
9. What comes under short term decision making :
- a) Investment.
 - b) Financing.
 - c) Dividend.
 - d) Working capital.
10. The various means of financing a firm represent the :
- a) Capital Structure.
 - b) Cost Structure.
 - c) Investment Structure.
 - d) Dividend Structure.
11. There is no relationship between dividend policy and value of the firm under :
- a) Gordon's Model.
 - b) Walter's Model.
 - c) MM Approach.
 - d) Traditional Approach.
12. According to Walter's model when $r > k$, dividend payout ratio should be :
- a) 0 per cent.
 - b) 100 per cent.
 - c) 50 per cent.
 - d) 80 per cent.

Part C (Short Answer Questions)

Answer any seven questions.

Each question carries 2 weightage.

24. The following balance sheet of Vijay Pvt. Ltd. for the year ended 31st December 2016 :

<i>Particulars</i>	<i>Rs</i>
Cash	9,500
Marketable securities	15,000
Inventories	1,00,000
Debtors	85,000
Prepaid expenses	5,000
Long term loan	1,50,000
Creditors	52,000
Accrued expenses	12,000

You are required to compute current ratio and acid test ratio.

25. Sales = ₹. 8,00,000, Total Fixed Cost = ₹. 2,00,000, Profit = ₹. 2,00,000. You are required to Calculate : a) P/V Ratio ; b) BEP sales ; c) Margin of Safety ; and d) Sale to earn a profit of 3,00,000.
26. Briefly explain the four classification of ratios.
27. Discuss about any two capital budgeting methods.
28. A firm is expecting a before tax rate of return of 24 % on estimated total investment of Rs. 5,00,000. The firm is considering alternative financial plans. They are as follows :
- (i) Either to raise the entire funds by issuing 50,000 ordinary shares at Rs. 10 per share, or
 - (ii) To raise Rs. 2,50,000 by issuing 25,000 ordinary shares at Rs. 10 per share and borrow Rs. 250,000 at 15 per cent rate of interest.
- The tax rate is 50 per cent.
- Analyse the financial plans and suggest the company which one is best plan.
29. Briefly explain the Gordon's model of dividend policy.
30. Explain the net income approach of capital structure theory.

31. Describe the sources of working capital finance.

Project	C ₀	C ₁
M	-1000	1500
N	-100000	120000

Calculate internal rate of return and NPV at 10 %

33. Explain in short the techniques of inventory management.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

Answer any **two** questions.

Each question carries a weightage of 4.

34. Explain the classification of costs.

35. Elaborate on practical considerations in determining capital structure.

36. The projected cash flows of alternative projects are given below :

Project	C ₀	C ₁	C ₂	C ₃	C ₄
A	- 1000	600	200	200	1000
B	- 1000	200	200	600	1000
C	- 1300	100	100	100	1600
D	- 1300	0	0	300	1600

Using Payback period, Accounting rate of return (ARR), and Net present value (NPV) at 10 % rank the projects based on the selection criteria of each methods. Present Value Factor Table :

Year	1	2	3	4
10%	0.909	0.826	0.751	0.683

37. Explain the factors affecting working capital requirements.

(2 × 4 = 8 weightage)

**FIRST SEMESTER M.B.E. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, NOVEMBER 2021**

(CBCSS)

Master of Business Economics

MBE 1C 02—STATISTICS FOR BUSINESS

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

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Part A (Multiple Choice Questions)

Answer all questions.

Each bunch of five questions carries a weightage of 1.

1. In a throw of a die, if X denotes the number obtained. The probability of X is :
 - a) $1/12$.
 - b) $1/6$.
 - c) $1/3$.
 - d) $1/2$.
2. A In a single throw with two uniform dice, the probability of throwing 5 is :
 - a) $1/6$.
 - b) $5/6$.
 - c) $1/36$.
 - d) $5/36$.
3. Bayes theorem is based on :
 - a) Conditional probability.
 - b) Marginal probability.
 - c) Joint probability.
 - d) Probability distribution.

Turn over

11. Which of the following does not yield a random variable ?
- a) Outcome of tossing a coin. b) Outcome of tossing a dice.
c) Systematic sampling. d) Convenient sampling.
12. Chi-square test cannot be applied when N is :
- a) Less than 30. b) Greater than 30.
c) Less than 50. d) Greater than 50.
13. If the assumption for the independent 't' test cannot be met, the non-parametric test used is the :
- a) Wilcoxon signed rank test. b) Sign test.
c) Wilcoxon signed sum test. d) Run test.
14. Rejection of null hypothesis $\beta_0 = 0$ implies that the estimate is :
- a) Equal to population. b) Equal to sample mean.
c) Statistically significant. d) Statistically insignificant.
15. Mann Whitney test is applied to compare differences between :
- a) Two medians. b) Time series data.
c) Two dependent groups. d) Two independent groups.

(15 × 1/5 = 3 weightage)

Part B (Very Short Answer Questions)

Answer any five questions.

Each question carries 1 weightage.

16. Depict the probability of occurrence of at least one of the two events A and B by venn diagram.
17. State any *two* theorems on mathematical expectation.
18. Mention the law of large numbers.
19. State the conditions under which binomial distribution can be applied.
20. When is 't' test used in Statistics.
21. What is meant by level of significance ?
22. What is a non-parametric test ? Give two examples.
23. Mention the assumptions of ANOVA.

(5 × 1 = 5 weightage)

Turn over

Part C (Short Answer Questions)

Answer any seven questions.

Each question carries 2 weightage.

24. A pair of dice is rolled. If the sum on the two dice is 9, find the probability that one of the dice showed 3.
25. Explain Bayes theorem.
26. Explain probability distribution of a continuous random variable.
27. Describe Poisson distribution.
28. 8 coins are tossed at a time 256 times. Find the expected frequencies of success, getting a head and tabulate the result.
29. Explain the methods of estimation.
30. In a laboratory experiment two random samples gave the following results :

Sample	Size	Sample mean	Sum of squares of deviations of mean
1	10	15	90
2	12	14	108

Test the equality of sample variances at 5 % level of significance ($F = 3.10$).

31. Explain the procedure for testing a hypothesis.
32. What are Fisher's properties of estimators ?
33. Describe any *three* applications of ANOVA.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

Answer any two questions.

Each question carries a weightage of 4.

34. A restaurant serves two special dishes, A and B to its customers consisting 60 % men and 40 % women. 80 % of men order dish A and the rest B. 70 % women order B and rest A. In what ratio of A to B should the restaurant prepare the dishes ?
35. The customer accounts of a certain departmental store have an average balance of Rs. 120 and a standard deviation of Rs. 40. Assuming that the account balances are normally distributed,
 - i) What proportion of accounts is over Rs. 150 ?
 - ii) What proportion of the accounts is between Rs. 100 and Rs. 150 ?

36. Describe the following :

- i) Sign test ;
- ii) Krushall Wallis test ; and
- iii) Wald Wolfowitz test.

37. To study the performance of three detergents and three different water temperatures the following whiteness reading were obtained :

Water Temperature	Detergent A	Detergent B	Detergent C
Cold water	57	55	67
Warm water	49	52	68
Hot water	54	46	58

Perform a two way analysis of variance using 5 % level of significance ($F = 6.94$).

(2 × 4 = 8 weightage)

**FIRST SEMESTER M.B.E. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION NOVEMBER 2021**

(CBCSS)

Master of Business Economics

MBE1C01—MICRO ECONOMIC ANALYSIS

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

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Part A

*Answer **all** questions.*

Each bunch of five questions carries a weightage of 1.

Multiple choice Questions :

1. According to Bernoulli, a rational individual will take decisions under risky conditions on the basis of expected _____.
 - a) Monetary Value.
 - b) Utility.
 - c) Price.
 - d) Profit.
2. The S- Shaped Total Utility Curve is associated with :
 - a) Bernoulli Hypothesis.
 - b) Friedman-Savage Hypothesis.
 - c) The Markowitz Hypothesis.
 - d) St. Petersburg Paradox.

Turn over

3. Abnormal market behavior where consumers purchase the higher-priced goods whereas similar low-priced (but not identical) substitutes are available :
- a) Giffen effect.
 - b) Snob effect.
 - c) Veblen effect.
 - d) Bandwagon effect.
4. The functional relationship between physical inputs and physical outputs is termed as _____ production.
- a) Cost.
 - b) Production.
 - c) Utility.
 - d) Economies of Scale.
5. The cost that remains unchanged with the levels of output, in the short run.
- a) Variable Cost.
 - b) Fixed Cost.
 - c) Marginal Cost.
 - d) Total Cost.
6. If the factors are perfectly divisible and the prices of inputs remain constant, the LAC is a :
- a) Horizontal Line.
 - b) Vertical Line.
 - c) L shaped Curve.
 - d) U shaped curve.
7. Oligopoly is a market condition with :
- a) Large number of buyers and large number of sellers.
 - b) Large number of sellers and few number of buyers.
 - c) Few number of buyers and few number of buyers.
 - d) Few number of sellers and large number of buyers.
8. Price rigidity is the feature of the _____ market behaviour.
- a) Perfect Competition.
 - b) Monopoly.
 - c) Duopoly.
 - d) Oligopoly.
9. OPEC is an example for :
- a) Collusive Duopoly.
 - b) Non-collusive Duopoly.
 - c) Collusive Oligopoly.
 - d) Non-collusive Oligopoly.
10. The basic and pioneering work on General Equilibrium Theory was done by _____.
- a) Adam Smith.
 - b) Kaldor.
 - c) J. M. Keynes.
 - d) Walras.

Part C (Short Answer Questions)

Answer any seven questions.

Each question carries a weightage of 2.

24. Briefly explain the Bernoulli Hypothesis.
25. Explain the Markowitz hypothesis.
26. highlight the properties of CES production function.
27. Explain the basic cost concepts with illustrations.
28. State and explain the fundamentals of the Theory of Games.
29. Elaborate the features of Nash Equilibrium.
30. Explain the major criteria of social welfare.
31. Briefly explain the Social Welfare Function.
32. Illustrate the implications of asymmetric information.
33. Explain the Efficiency Wage Theory.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

Answer any two questions.

Each question carries a weightage of 4.

34. Discuss the dynamic versions of demand functions.
35. Analyse the internal and external economies of large scale of production.
36. Explain the main types of collusion. Illustrate the pricing problem of Oligopoly under the centralized cartel and under market sharing cartel.
37. Critically examine the Arrow's Impossibility Theorem.

(2 × 4 = 8 weightage)

**FIRST SEMESTER M.A./M.Sc. DEGREE (REGULAR) EXAMINATION
NOVEMBER 2020/2021**

(CBCSS)

Business Economics

BEC 1C 04—QUANTITATIVE METHODS FOR BUSINESS ENHANCEMENT

(2020 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

General Instructions

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Part A (Multiple Choice Questions)

Answer all questions.

Each question carries 1/5 weightage.

1. A mathematical statement setting two algebraic expressions equal to each other is called :
 - a) An Equation.
 - b) A function.
 - c) Both (a) and (b).
 - d) None of the above.
2. Which among the following is true relating to 'slope' :
 - a) The greater the absolute value of the slope, the flatter the line.
 - b) It indicates the steepness and direction of a line.
 - c) The slope of the horizontal line is positive.
 - d) The slope of the vertical line is negative.

Turn over

3. The process of finding the derivative of a function is called :
- a) Constant function.
 - b) Integration.
 - c) Differentiation.
 - d) None of the above.
4. The derivative of a linear function $f(x) = mx + b$ is equal to :
- a) mx .
 - b) b .
 - c) m .
 - d) All the above.
5. Optimization is a process of finding :
- a) The relative maximum of a function.
 - b) The relative minimum of a function.
 - c) Both (a) and (b).
 - d) None of the above.
6. Which among the following is true for inflection points ?
- a) It occurs only where the second derivative equals zero or is undefined.
 - b) It occurs only where the first derivative equals zero.
 - c) It occurs only where the first derivative is undefined.
 - d) Both (a) and (b).
7. If $TC = 3Q^2 + 7Q + 12$, then MC is :
- a) $6Q$.
 - b) $6Q - 7$.
 - c) $6Q - 7 + 12$.
 - d) $6Q + 7$.
8. For a function of two or more independent variables, the total differential measures :
- a) The change in each of the independent variable brought about by a small change in dependent variable.
 - b) The change in the dependent variable brought about by a small change in each of the independent variables.
 - c) The change in the dependent variable of a multivariate function resulting from a small change in one of the independent variables.
 - d) None of the above.

9. Compound interest is :
- a) Calculated on the principal and the interest accumulated over the previous period.
 - b) Calculated on the principal only.
 - c) Calculated on the interest accumulated over the previous period.
 - d) None of the above.
10. Which among the following is not true for net present value ?
- a) It applies to a series of cash flows occurring at different time periods.
 - b) It applies to a series of cash flows occurring at same time period.
 - c) The present value of a cash flow depends on the interval of time between now and the cash flow.
 - d) It also depends on the discount rate.
11. Which among the following is true for annuities ?
- a) Annuities cannot be classified by the frequency of payment dates.
 - b) Examples of annuities are regular deposits to a savings account, monthly home mortgage payments, monthly insurance payments and pension payments.
 - c) An annuity is a series of payments made at equal intervals.
 - d) Both (b) and (c).
12. A fund that is created and set up purposely for repaying debt is known as :
- a) Mutual fund.
 - b) Angel fund.
 - c) Sinking fund.
 - d) None of the above.
13. Which among the following statements are not true for bonds ?
- a) A bond is a debt security.
 - b) A bond is a debt obligation.
 - c) Bonds are investment securities.
 - d) Bonds have positive relation with interest rates.
14. An equation that relates one or more unknown functions and their derivatives is known as :
- a) Linear equation.
 - b) Differential equation.
 - c) Partial derivative.
 - d) None of the above

15. Integration is the :

- a) Process of bringing smaller components into a single unit that acts as one single component.
- b) Process of determining the rate of change in a quantity with respect to another quantity.
- c) Both (a) and (b).
- d) None of the above.

(15 × 1/5 = 3 weightage)

Part B (Very Short Answer Questions)

Answer any five questions out of eight questions.

Each questions carries 1 weightage.

- 16. Define the polynomial function.
- 17. What is a scalar matrix ?
- 18. What do you mean by Cobb web model ?
- 19. Define the term depreciation.
- 20. Define consumer surplus.
- 21. What do you mean by a vector ?
- 22. Use the rules of exponents :

$$x^{-2} \cdot x^{-4}.$$

- 23. Solve the following :

$$(3x - 7)^2.$$

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

Answer any seven questions out of ten questions.

Each questions carries 2 weightage.

- 24. Write a short note on different types of functions.
- 25. What do you mean by characteristic equations ?
- 26. Distinguish between limit and continuity of a function.

27. Explain the conditions of maxima and minima.
28. Briefly discuss the properties of determinants.
29. Write a brief note on the relationship between interest rates and the price of bonds.
30. Equilibrium in supply and demand analysis occurs when $Q_s = Q_d$.

Solve the following :

$$Q_s = -5 + 3P \quad Q_d = 10 - 2P.$$

31. Solve the following linear equation :

$$5x + 6 = 9x - 10.$$

32. Find the derivative for the following function :

$$Y = (6x^3 + 9)^4.$$

33. Given the $TP = 90K^2 - K^3$. Find MP and AP.

(7 × 2 = 14 weightage)

Part D (Essay Type Questions)

Answer any two questions out of four questions..

Each questions carries 4 weightage.

34. What do you mean by a matrix ? Explain the different types of matrices with an example.
35. Briefly discuss the applications of derivatives in economics.
36. Find the relative extrema for the following functions by (1) Finding the critical values ; and (2) determining if at the critical values the function is at a relative maximum or minimum.

a) $f(x) = -7x^2 + 126x - 23$; and

b) $f(x) = 3x^3 - 36x^2 + 135x - 13$.

37. Find the first order partial derivatives for the following functions :

a) $z = 8x^2 + 14xy + 5y^2$; and

b) $z = 4x^3 + 2x^2y - 7y^5$.

(2 × 4 = 8 weightage)

**FIRST SEMESTER M.A./M.Sc. DEGREE (REGULAR) EXAMINATION
NOVEMBER 2020/2021**

(CBCSS)

Business Economics

BEC 1C 03—PRINCIPLES OF BUSINESS ECONOMICS

(2020 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

General Instructions

1. *In cases where choices are provided, students can attend all questions in each section.*
2. *The minimum number of questions to be attended from the Section / Part shall remain the same.*
3. *The instruction if any, to attend a minimum number of questions from each sub section / sub part / sub division may be ignored.*
4. *There will be an overall ceiling for each Section / Part that is equivalent to the maximum weightage of the Section / Part.*

Part A (Multiple Choice Questions)

Answer all fifteen questions.

1. Which among the following is true for Managerial Economics ?
 - a) Deals with macro aspect.
 - b) Deals with micro aspect.
 - c) Both (a) and (b).
 - d) None of the above.
2. Opportunity cost means :
 - a) Cost incurred for fixed assets.
 - b) Cost incurred for variable inputs.
 - c) Loss of value of missed opportunity.
 - d) Actual value of chosen activity.
3. Unconstrained optimisation is the :
 - a) Process of optimising an objective function.
 - b) Problem of minimising an objective function.
 - c) Problem can be modelled in terms of arbitrary constraints.
 - d) None of the above.

Turn over

4. Fiscal policy involves :
- a) Bank rate.
 - b) Cash reserve ratio.
 - c) Marginal standing facility.
 - d) Taxation.
5. EXIM policy is a :
- a) Set of guidelines related to imports and exports.
 - b) Set of guidelines related to public expenditure.
 - c) Set of guidelines on marketing.
 - d) Set of guidelines on production.
6. Social responsibility in business means :
- a) Adoption of policies for the betterment of business.
 - b) Adoption of policies for the well-being of society.
 - c) A moral obligation of the company to attain profit.
 - d) None of the above.
7. WTO deals with :
- a) Regulates and facilitate finance.
 - b) Provide loans to member countries.
 - c) The global trade rules.
 - d) All the above.
8. Devaluation is the :
- a) Deliberate downward adjustment of a country's currency.
 - b) Decline of a currency's value relative to another currency.
 - c) increase in the value of a currency.
 - d) None of the above.
9. Which among the following is related with environmental scanning ?
- a) PEST analysis.
 - b) SWOT analysis.
 - c) ETOP analysis.
 - d) All the above.

21. Define environmental monitoring.
22. What is technology transfer ?
23. Define Devaluation.

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

Answer any seven questions out of ten questions.

Each question carries 2 weightage.

24. Distinguish between currency appreciation and depreciation.
25. Write a short note on the functions of WTO.
26. Briefly discuss the techniques of environmental scanning.
27. Write a brief note on the corporate social responsibility.
28. Briefly discuss the Equi-marginalism.
29. Distinguish between macro economics and micro economics.
30. Write a short on economic rationale of optimization.
31. What do you mean by opportunity cost ? What is the significance of opportunity cost in decision making ?
32. Briefly discuss the role of social institutions and systems in business environment.
33. Write a short note on consumerism in India.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

Answer any two questions out of four questions..

Each question carries a weightage of 4.

34. What are the basic problems in an economy ? The basic problems can be solved either by the decisions of the government or by the market. Explain ?
35. What is monetary policy ? Elaborate the objectives and instruments of monetary policy in India.
36. Elaborate the major components of business environment.
37. Elaborate the history and organisational structure of IMF. Explain the role of IMF in promoting emergency loan among member countries.

(2 × 4 = 8 weightage)

**FIRST SEMESTER M.A./M.Sc. DEGREE (REGULAR) EXAMINATION
NOVEMBER 2020/2021**

(CBCSS)

Business Economics

BEC 1C 02—MACROECONOMICS : THEORIES AND POLICIES

(2020 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

General Instructions

1. *In cases where choices are provided, students can attend all questions in each section.*
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Part A (Multiple Choice Questions)

Answer all fifteen questions.

Each question carries 1/5 weightage.

1. A contractionary fiscal policy can involve :
 - a) Increasing consumption and investment.
 - b) Decreasing government spending and increasing taxes.
 - c) Increasing government spending and increasing taxes.
 - d) None of the above.
2. What is the shape of long run Phillips curve ?
 - a) Inverted U shape.
 - b) Horizontal.
 - c) Inverse L shape.
 - d) Vertical.
3. IS curve which determines goods market equilibrium shows relationship between :
 - a) Income and employment.
 - b) Inflation and interest.
 - c) Income and interest.
 - d) None of the above.

Turn over

4. The shape of Laffer curve is :
- a) Inverted U shape.
 - b) U shape.
 - c) Inverse L.
 - d) None of the above.
5. According to Classical approach to demand for money people demand money for :
- a) Precaution.
 - b) Transaction.
 - c) Transaction and precaution.
 - d) None of the above.
6. The curve which relates the level of income with rate of interest determines money market Equilibrium :
- a) IS curve.
 - b) LM curve.
 - c) Income curve.
 - d) None of the above.
7. Demand pull inflation may be caused by :
- a) An increase in cost.
 - b) A decrease in interest rate.
 - c) A reduction in government spending.
 - d) An outward shift of aggregate supply.
8. GDP deflator is :
- a) Ratio of real GDP to nominal GDP.
 - b) Ratio of nominal income to real income.
 - c) Ratio of nominal GDP to real GDP.
 - d) Rate of change in real income.
9. M3 is otherwise known as :
- a) Narrow money.
 - b) Broad money.
 - c) Base money.
 - d) Liquid money.
10. Phillips curve shows relationship between inflation and :
- a) Rate of growth in an economy.
 - b) Unemployment.
 - c) Balance of payments.
 - d) Interest rates.

11. Life cycle income hypothesis was developed by :
- a) Milton Friedman.
 - b) James Duesenberry.
 - c) Franco Modigliani.
 - d) J R Hicks.
12. Marginal Efficiency of Investment relates to :
- a) Efficiency of capital investment.
 - b) Expected rate of wages.
 - c) Expected rate of return on investment.
 - d) Expected effect on production.
13. The term business cycle refers to :
- a) Fluctuations in aggregate economic activity over time.
 - b) Ups and down in the production of goods.
 - c) Increasing unemployment.
 - d) Declining savings.
14. According to Friedman, a change in the supply of money causes a proportionate change :
- a) In the price level or income or in both.
 - b) In the price level.
 - c) In income.
 - d) In the price level or income.
15. Which of the following factors shift LM curve ?
- a) Change in taxes.
 - b) Change in expenditure.
 - c) Change in autonomous investment.
 - d) Change in inflation rate.

(15 × 1/5 = 3 weightage)

Part B (Very Short Answer Questions)

Answer any five questions out of eight questions.

Each questions carries 1 weightage.

16. Define Money multiplier.
17. What is Phillips curve ?

Turn over

18. Define Frictional unemployment.
19. What is Crowding out effect ?
20. MEC.
21. Outside lag.
22. Adaptive expectations.
23. LM Curve.

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

*Answer any seven questions out of ten questions.
Each questions carries 2 weightage.*

24. Briefly explain about user cost and neo-classical theory of investment.
25. Explain the H theory of money supply.
26. Briefly explain relative income theory of consumption.
27. What is NAIRU ? Explain.
28. Discuss about quantity theory of money by Fisher.
29. Give a brief account of determinants of money supply.
30. Discuss about shifts in IS curve diagrammatically.
31. Write about political business cycle theory.
32. Briefly explain about stabilization policy.
33. What are the objectives of macro- economic policies ?

(7 × 2 = 14 weightage)

Part D (Essay Type Questions)

*Answer any two questions out of four questions.
Each questions carries 4 weightage.*

34. Discuss about short run and long run Phillips curve.
35. Explain Samuelson's Theory of business cycle.
36. Discuss about IS-LM model with government sector.
37. Explain about various instruments of fiscal policy in stabilizing the economy.

(2 × 4 = 8 weightage)

**FIRST SEMESTER M.A./M.Sc. DEGREE (REGULAR) EXAMINATION
NOVEMBER 2020/2021**

(CBCSS)

Business Economics

BEC 1C 01—MICROECONOMICS : THEORY AND APPLICATIONS

(2020 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

General Instructions

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Part A

*Answer all fifteen questions.
Each question carries a weightage 1/5.*

1. A situation in which a decision maker knows all of the possible outcomes of a decision and also knows the probability associated with each outcome is referred to as :
 - (a) Certainty.
 - (b) Risk.
 - (c) Uncertainty.
 - (d) Strategy
2. If a person's utility doubles when their income doubles, then that person is risk _____.
 - (a) Averse.
 - (b) Neutral.
 - (c) Seeking.
 - (d) There is not enough information given in the question to determine an answer.
3. A situation in which a decision maker must choose between strategies that have more than one possible outcome when the probability of each outcome is unknown is referred to as :
 - (a) Diversification.
 - (b) Certainty.
 - (c) Risk.
 - (d) Uncertainty.

Turn over

4. The marginal utility of money diminishes for a decision maker who is :
- (a) A risk seeker.
 - (b) Risk neutral.
 - (c) A risk averter.
 - (d) In a situation of uncertainty.
5. If the market interest rate is 10 % and a decision maker's risk adjusted discount rate is 12%, then the decision maker
- (a) Is risk averse.
 - (b) Has a certainty-equivalent coefficient that is greater than one.
 - (c) Is risk neutral.
 - (d) None of the above is correct.
6. Normally the demand curve will have a _____ shape.
- (a) Upward sloping.
 - (b) Downward sloping.
 - (c) Vertical.
 - (d) Horizontal.
7. Law of demand shows a relation between the _____.
- (a) Quantity demand and quantity supply of a commodity.
 - (b) Income and quantity demand of a commodity.
 - (c) Price and quantity of a commodity.
 - (d) Income and price of a commodity.
8. When the elasticity of demand for a commodity is very low, it shows that the product ?
- (a) Has little importance in the total budget.
 - (b) Is a luxury.
 - (c) Is a necessity.
 - (d) None of the above.
9. In production function, production is a function of :
- (a) Price.
 - (b) Factors of Production.
 - (c) Total Expenditure.
 - (d) None of these.
10. Long-run production function is related to :
- (a) Law of Demand.
 - (b) Law of Increasing Returns.
 - (c) Laws of Returns to Scale.
 - (d) Elasticity of Demand.

11. Game theory models are classified by the :
- (a) Number of players.
 - (b) Sum of all payoffs.
 - (c) Number of strategies.
 - (d) All of these.
12. A mixed strategy game can be solved by :
- (a) Algebraic method.
 - (b) Matrix method.
 - (c) Graphical method.
 - (d) All of these.
13. According to the Cournot model, a firm will :
- (a) Assume that rival firms will keep their production constant.
 - (b) Produce the quantity where marginal revenue equals marginal cost.
 - (c) Respond to changes in production by rival firms by adjusting its production.
 - (d) All of the above are correct.
14. The kinked demand curve model assumes that :
- (a) Firms neither match price increases nor price cuts.
 - (b) Demand is either more elastic for price cuts or for price increases.
 - (c) Changes in marginal cost can never lead to changes in market price.
 - (d) None of the above is correct.
15. A firm that considers the potential reactions of its competitors when it makes a decision :
- (a) Is referred to as a price leader.
 - (b) Is engaged in strategic behaviour.
 - (c) Is engaged in collusion.
 - (d) Is referred to as a barometric firm.

(15 × 1/5 = 3 weightage)

Part B

Answer any five questions out of eight.

Each question carries a weightage 1.

16. Consumer's choice under uncertainty ?
17. What is a risk neutral person ?
18. How do you solve the St.Petersberg Paradox ?

19. What does Markowitz Portfolio theory suggest ?
20. How does bandwagon effect affect demand ?
21. What is short run production function ?
22. What is an oligopoly ?
23. Define Nash equilibrium in oligopoly.

(5 × 1 = 5 weightage)

Part C

Answer any seven questions out of ten questions.

Each question carries a weightage 2.

24. What is state preference approach ?
25. How is Snob effect different from bandwagon effect ?
26. Explain Houthakker's and Taylor's Model ?
27. What are the four types of oligopoly ?
28. Is price leadership a form of collusion ?
29. What is CES production function ?
30. How are network externalities significant ?
31. What is cartel agreement ?
32. Differentiate between homogeneous and non-homogeneous production functions.
33. What is a matrix in game theory ?

(7 × 2 = 14 weightage)

Part D

Answer any two questions out of four questions.

Each question carries a weightage 4.

34. What are the characteristics of Cobb-Douglas Production function ?
35. Explain the recent developments in the theory of demand.
36. Examine consumer behaviour as risk averter and risk lover in Friedman Savage hypothesis.
37. Distinguish among the various models of oligopoly price leadership.

(2 × 4 = 8 weightage)