



Register Number:

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ST. JOSEPH'S COLLEGE (AUTONOMOUS), BANGALORE-27
B.Com IFA – I SEMESTER
SEMESTER EXAMINATION: OCTOBER 2019
BCIFA 1319- Business Economics

Hours: 2 1/2hrs

Total Marks: 70

This paper contains two printed sheets and four parts

Section A

I. Answer any five questions. Each question carries two marks (5x2=10)

1. State any two roles of a business economist.
2. Write any 4 exceptional cases for law of demand.
3. What is Law of supply?
4. What do you mean by monopolistic competition?
5. Give the meaning of fiscal policy.
6. Define budget line.

Section B

II. Answer any three questions. Each question carries five marks (3x5=15)

7. Briefly explain the scope of business economics.
8. Write short notes price discrimination.
9. Briefly discuss the diseconomies of scale.
10. Explain the characteristics of oligopolistic firms.

Section C

III. Answer any two questions. Each question carries fifteen marks (2x15=30)

11. What do you mean by National Income? How do you measure it? What are the problems associated with its calculation?
12. "As a rational producer, one will choose the stage of diminishing returns." Justify the statement with the help of Law of Variable Proportions.
13. Explain the features and price output determination under perfect competition.

Section D

IV.14. Answer the question given below the question carries fifteen marks (compulsory)
(1x15=15)

Case study

Maggi noodle is a brand of instant noodles manufactured by Nestle. The brand is popular in Australia, India, SouthAfrica, Brazil, Nepal, NewZealand, Brunei, Malaysia, Singapore, Sri Lanka, Bangladesh, Pakistan, and Philippines. Maggi noodles are part of the Maggi family, a Nestle brand of instant soups, stocks, and noodles. Maggi noodles recently introduced a new variety of its noodles, to cater for the health conscious like 'No MSG', 'Less Salt', and 'No Trans fat'. Whole-wheat flour based noodle variation marketed by the name "Vegetable Atta Noodles" has been introduced in India (Atta flour is used in preparing most forms of wheat based breads in India) and caters to health conscious buyers wary of the refined flour used in the regular Maggi noodles. This move helps the brand in India as suburban mothers, who feed the noodles to children as an after school snack, are the primary customers of the brand. Recently, a line of rice noodles and whole wheat with pulses, carrots, beans, and onions has also been introduced in India. In fact, "Maggi" has become a well-known brand for instant noodles in India and Malaysia. Over the years, Maggi noodles have become a popular snack food product in India. Maggi noodles have availability even in the remotest locations of India like Kedarnath, Ladakh, Amarnath. These are places where there is no proper supply of even electricity but Maggi is still available for the foodies appetite. The Economic Times has applauded maggi with the following quote-"What Xerox is to photocopier, Colgate to toothpaste, Maggi is to Noodles in India. Fast to Cook, Good to Eat".

1. What are the factors that influence the demand for Maggi.
2. How should Maggi forecast for its new vegetable atta noodles?