QP Code:HU2T01-2 **(Pages: 2)**

Reg No : .... Name : ....

MAR ATHANASIUS COLLEGE OF ENGINEERING, KOTHAMANGALAM

(Govt. Aided Autonomous Institution)

Third Semester B.Tech. Degree (SAY) Examination, February, 2026

Course Code: B24HU2T01

Course Name: BUSINESS ECONOMICS AND FINANCIAL MANAGEMENT

Max. Marks: 100 Duration:3 Hours

PART - A: 30 Marks (10 Qns x 3 Marks)

Answer all questions

1. Define average product of labour.
2. Draw a figure representing consumer surplus.
3. Distinguish between explicit and implicit cost.
4. Distinguish between AR and MR. Draw a figure showing the relationship between the AR and MR curves.
5. Distinguish between GNP and NNP.
6. Define current account. Mention its importance.
7. Define current liabilities. List any two examples.
8. Define an ETF.
9. What is a sector specific scheme?
10. What is dematerialisation of shares?

PART - B: 70 Marks (5 Qns x 14 Marks)

Answer any One full question from each module.

Module 1

11. a. Define demand. Mention the major factors influencing demand. (7 Marks)
    b. What is cross elasticity of demand. How is it used to distinguish between substitutes and complements? (7 Marks)

OR

12. a. When the income of a consumer was Rs. 40000 per month, the quantity demanded of a good was 1000 units. When his income increased to 60000, his demand fell to 900 units. Is the good a normal or an inferior one? Give reason? (7 Marks)
    b. State any three applications of elasticity of demand. (7 Marks)

Module 2

13. a. Draw figures representing the equilibrium of a firm under monopoly and under monopolistic competition. What is the key differentiating factor between the two? (7 Marks)

    b. What is administered pricing? Bring out its advantages and disadvantages. (7 Marks)

OR

14. a. Draw a graph representing price rigidity under oligopoly. Why do firms under oligopoly keep their prices rigid? (7 Marks)

    b. What is target return pricing? Mention its advantages and disadvantages. (7 Marks)

Module 3

15. a. What are non-tariff barriers? State the different types of non-tariff barriers that a country can employ? (7 Marks)

    b. Discuss the effect of a tariff with the help of a figure. (7 Marks)

OR

16. a. Give reasons for the deficit in India's balance of payments. (7 Marks)

    b. What are the various monetary and fiscal measures to control inflation? (7 Marks)

Module 4

17. a. What is financial independence? What are the various steps that an individual should take to achieve financial freedom? (7 Marks)

    b. Examine the relevance of incorporating digital technology into finance. List its advantages and disadvantages. (7 Marks)

OR

18. a. What are marketable securities? Give three examples. State the features of marketable securities. (7 Marks)

    b. Examine in detail the credit control techniques of the RBI. (7 Marks)

Module 5

19. a. What is equity capital? Bring out its advantages and disadvantages. (7 Marks)

    b. Bring out the major money market instruments. (7 Marks)

OR

20. a. What is preference capital? Mention its advantages and disadvantages. (7 Marks)

    b. Bring out the impact of FII in the Indian economy. Does India need more inflows of FII? (7 Marks)

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