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St. Claret College

Autonomous, Bengaluru

ROLL NO:
DATE:

PG END SEMESTER EXAMINATION-FEB 2025

M.Com. FIRST SEMESTER

MCO 1324: PRINCIPLES AND PRACTICES OF BUSINESS DECISIONS

TIME: 3 hours. **MAX. MARKS: 70**

This paper contains TWO printed pages and FOUR parts

Instructions:
1. Verify and ensure that the question paper is completely printed.
2. Any discrepancies or questions about the exam paper must be reported to the COE within ONE hour after the examination.
3. Students must check the course title and course code before answering the questions.

PART-A

Answer SIX questions out of Eight. Each answer carries TWO marks. [2x6 = 12]

1. Give Examples for Mixed Economies.
2. What do you understand by Double Counting?
3. State the meaning of Consumer Sovereignty.
4. Give the meaning of price elasticity of demand.
5. Mention the methods of debt redemption.
6. Give the meaning of diseconomies of scale.
7. What do you mean by price leadership?
8. Briefly explain any two laws of consumer psychology.

PART-B

Answer any THREE questions out of FIVE. Each answer carries EIGHT marks. [8x3=24]

9. Discuss various problems in computation of national income.
10. Highlight the reasons for increase in public expenditure for a country like India.
11. By the method of least squares, compute the trend value for each of the 5 years and forecast the annual sale for the year 2025

Year	2020	2021	2022	2023	2024
Sales in Lakhs	100	124	156	96	148

12. What do you mean by economies of scale and diseconomies of scale? Explain briefly the various types of real economies and pecuniary economies of scale.
13. Describe the determinants of pricing policy.

PART-C

Answer any TWO questions out of THREE. Each answer carries Ten marks. [10X2=20]

14. A small firm with a fixed plant has daily fixed cost of 200. the total variable cost of the successive quantities of output per day is as follows: find out TC, AFC, AVC, AC and MC of the firm for each level of output.

Total Output in Units	1	2	3	4	5	6	7
TVC	300	560	750	800	1050	1320	1820

15. What are the common signs that an individual is at risk of falling into a debt trap, and what practical steps can they take to regain financial stability?
16. The demand for handcrafted jewelry in a small town is influenced both by local consumers and tourists. In 2023, the total demand for jewelry was Q=5000−30P and the total supply was Q=2200+40P. The domestic demand for jewelry was Q_d=2200−15P. If the number of tourists visiting the town drops by 10%, what will happen to the equilibrium price of jewelry in the town?

PART-D

Answer the following. [14X1=14]

17. Starbucks has secured its market leadership position through its expansive global footprint and effective leadership. The unique experience offered at Starbucks locations, characterized by a cozy atmosphere, welcoming ambiance, and exceptional service, sets it apart from competitors and provides a sustainable competitive advantage. Leveraging strategies such as strategic retail locations and on-site partnerships, Starbucks has solidified its position as a market leader in the mature coffee industry. With a comprehensive marketing strategy in place, Starbucks continues to maintain its strong market position.
    a. How does Starbucks' brand loyalty influence the price elasticity of the demand for its products?
    b. How does the availability of substitutes impact the price elasticity of demand for its products?

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