# 2024

## ECONOMICS — HONOURS

### Paper : SEC-B-1 and SEC-B-2

*The figures in the margin indicate full marks.*

*Candidates are required to give their answers in their own words
as far as practicable.*

### SEC-B-1

### (Research Methodology)

### Full Marks : 80

## Group - A

1. Answer *any ten* questions :    2×10

 (a) What is Research?

 (b) Mention any two steps of preparing a questionnaire.

 (c) What is theme based literature survey?

 (d) What is meant by data entry after field survey?

 (e) State any two steps of empirical research.

 (f) What is simple random sampling?

 (g) State any two rules to be followed in a good power point presentation.

 (h) Write the significance of abstract in a research paper.

 (i) What is the importance of JEL classification?

 (j) Write any two criteria of a good research.

 (k) Mention any two characteristics of a good table.

 (l) Distinguish between type I and type II error.

 (m) State two limitations of case study method.

 (n) What is meant by quantitative research?

 (o) Why tabulation is considered essential in a research study?

## Group - B

2. Answer *any four* questions :

 (a) Distinguish between Research Methods and Research Methodology.    5

 (b) Give your understanding of a good research design.    5

 (c) Explain and illustrate the procedure of selecting a random sample.    5

**Please Turn Over**

(d) What is the Sampling Frame in survey research? How do you create a sampling frame?          2+3

(e) Analyse the role of footnotes in a research paper.          5

(f) What is the importance of literature survey in conducting a research? What are the steps of writing a good literature review for a research paper?          2+3

## Group - C

### Answer *any four* questions.

3. Critically examine the following statements :

   (a) Interviews introduce more bias than does the use of questionnaire.

   (b) It is never safe to take the published statistics at their face value without knowing their meaning and limitations.          5+5

4. What is research hypothesis? What characteristics it must possess in order to be a good research hypothesis? Give the definition of power of test.          2+5+3

5. Interpretation is a fundamental component of research process. Do you agree? Give arguments in favour of your opinion.          5+5

6. Explain the significance of a research report and narrate various steps involved in writing such a report.          5+5

7. Discuss the role of Bibliography in research work. What are the differences between bibliography and reference? What is a citation in research?          4+4+2

8. Write short notes on *any two* of the following :          5×2

   (a) Objectives of Pilot Survey in research

   (b) Sampling and non-sampling error

   (c) Importance of Keywords in research paper

   (d) Role of stability analysis in theoretical models.

# SEC-B-2

## (Managerial Economics)

### Full Marks : 80

### Group - A

1. Answer *any ten* questions :                                                    2×10

   (a) State any two features of demand for non-durable goods.

   (b) What is meant by demand forecasting?

   (c) What are Sunk Costs?

   (d) What do you mean by out-of-pocket costs?

   (e) What is meant by margin of safety?

   (f) Calculate the break-even point (BEP) if variable cost per unit is ₹ 12, fixed cost is ₹ 60,000 and selling price per unit is ₹ 18.

   (g) What is peak-load pricing?

   (h) What do you mean by cyclical pricing?

   (i) What is the main problem of a firm in case of capital budgeting?

   (j) What do you mean by time value of money?

   (k) State any two demerits of the IRR method of capital budgeting.

   (l) What do you mean by cost of equity capital?

   (m) State the formula for calculating the cost of retained earnings of a firm.

   (n) Mention any two motivations for holding inventory stock by any firm.

   (o) State the formula for determining the economic ordering quantity (EOQ) of any firm.

### Group - B

Answer *any four* questions.

2. Briefly discuss the steps needed for Demand forecasting.                                    5

3. Write the difference between Economic Costs and Accounting Costs with suitable examples.
                                                                                      2½+2½

4. Why are the strategies of skimming price policy and penetration price policy adopted by firms?
                                                                                      2½+2½

**Please Turn Over**

5. Briefly describe the importance of capital budgeting.

    5

6. Discuss briefly the relevance or the importance of the concept of the cost of capital.

    5

7. What are ordering cost and inventory cost? What are their roles in inventory control?

    3+2

## Group - C

Answer *any four* questions.

8. (a) What is profit volume analysis?

    (b) From the following informaton, calculate the break-even sales value to earn a desired profit of ₹ 6,000.

        (i) Total sales           ₹ 15,000

        (ii) Total fixed costs     ₹ 4,500

        (iii) Total variable costs    ₹ 7,500

    5+5

9. (a) Write a short note on Location pricing or Geographical pricing.

    (b) Describe different types of discounts applied to motivate the buyers.

    4+6

10. (a) What do you mean by the Pay-Back (PB) period method of Capital budgeting?

    (b) State the formula for Pay-back period in capital investment decision :

        (i) when the annual cash inflows are uniform

        (ii) when the annual cash inflows are not uniform.

    (c) Rank the following project proposals on the basis of PB.

| Project | Initial Capital Investment (₹) | Annual Cash Flow (₹) |
| --- | --- | --- |
| A | 25,000 | 3,000 |
| B | 3,000 | 1,000 |
| C | 12,000 | 2,000 |
| D | 20,000 | 4,000 |
| E | 40,000 | 8,000 |

    2+(2+2)+4

11. (a) When will a project be accepted as per the NPV (Net Present Value) criterion?

    (b) Discuss the merits and demerits of NPV (Net Present Value) method of capital budgeting.

    4+6

12. (a) Explain Capital Asset Pricing Model (CAPM) used for measuring cost of equity capital.

   (b) From the following information in respect of a company, calculate the cost of equity using the CAPM approach :

   |     |                                                        |         |
   |-----|--------------------------------------------------------|---------|
   | (i) | Risk-free rate of return                               | 10% |
   | (ii) | Beta risk factor of the company is                    | 0.80 |
   | (iii) | Initial price of investment in equity shares of the company is | ₹ 1,000 |
   | (iv) | Expected divident at the year-end                     | ₹ 120 |
   | (v) | Expected market price of equity shares at the year-end is | ₹ 1,100 |

   5+5

13. (a) What is the capital cost of holding the inventory?

   (b) Indicate different components of the storage cost of inventories of a firm.

   (c) A manufacturer uses ₹ 20,000 worth of a certain inventory item during the year. The ordering costs amount to ₹ 50 per order, and the holding cost (or the carrying cost) is 12.5% of the average inventory. Estimate the optimum number of orders of inventory per year.

   2+4+4