

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

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 dividend 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
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