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B.Com., LL.B. (Hons.) (Sem. II) Examination April - 2026

Business Economics -II

Time: 3 Hours] **[Total Marks: 70**

સૂચના : / Instructions

(1) ઉપરોક્ત દર્શાવેલ વિગતો ઉત્તરવહી પર અવશ્ય લખવી.
Fill up strictly the above details on your answer book

(2) Question no. 1 is compulsory.

(3) Figures to the right indicate full marks of the question.

Seat No.:

Student's Signature

Q.1. Answer the following questions in nutshell. **10**

1. What are insurable risks?
2. State the reasons of wage differentiation in same occupation
3. What is the importance of Capital budgeting?
4. Distinguish between Rent and Transfer Earnings
5. Why is perfect competition called a price-taker market?

Q.2. Explain the features of perfect competition and discuss how price and output are determined in the short run and long run. **12**

OR

Q.2. State the features of monopolistic market. Explain with the help of diagram firm and group equilibrium under monopolistic market **12**

Q.3. What is price discrimination? Explain the types of price discrimination and under what circumstances price discrimination possible and profitable? **12**

OR

Q.3. a) Selling cost **06**
b) Price leadership **06**

Q.4. Discuss the innovation theory of profit by prof. Schumpeter **12**

OR

Q.4. Define the term wage and types of wages and distinguished between money wage and real wage **12**

Q.5. Discuss the importance of the time value of money in capital budgeting. Provide real-world examples where ignoring this concept led to poor investment decisions **12**

OR

Q.5. What is meant by rent? Critically examine Ricardian theory of Rant. **12**

Q.6. Write Short note (Any two) **12**

1. Quasi-rent
2. Characteristics of oligopoly market
3. Uncertainty theory of profit
4. Wage differential in same occupation