

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**B.M.S. COLLEGE FOR WOMEN**  
**BENGALURU -560004**

**I SEMESTER END EXAMINATION – APRIL - 2024**

**M.Com. - PRINCIPLES OF BUSINESS DECISIONS**  
**(CBCS Scheme – F+R)**

**Course Code: MCM103T**  
**Duration: 3 Hours**

**QP Code: 11014**  
**Max. Marks: 70**

**SECTION – A**

1. **Answer any Seven Questions out of Ten. Each Question Carries Two Marks. (7X2=14)**

- a. What is meant by public finance?
- b. State the types of economic systems.
- c. What is meant by cross elasticity of demand?
- d. State the different sources of public borrowing.
- e. What is law of returns to scale?
- f. State the properties of indifference curve.
- g. State the various demand forecasting techniques.
- h. What is meant by tax evasion?
- i. State the different types of dumping.
- j. What is fiscal deficit?

**SECTION – B**

**Answer any Four Questions out of Six. Each Question Carries Five Marks. (4X5=20)**

- 2. Explain in brief the scope of managerial economics.
- 3. Explain the importance of elasticity of demand in business decisions.
- 4. From the following table you are required to compute and graphically depict the marginal product and average product from the data given below:

<b>Inputs of Labor</b>	<b>Total Product</b>
0	0
1	15
2	34
3	51
4	65
5	74
6	80
7	83
8	82

5. Explain the degree of price discrimination.
6. Differentiate between skimmed pricing and penetration pricing
7. Explain the principle of maximum social advantage.

**SECTION – C**

**Answer any Two Questions out of Four. Each Question Carries Twelve Marks. (2X12=24)**

8. What is laissez-faire economy? Discuss the impact of laissez-faire economy on the market outlining its benefits and criticisms.
9. Define the law of demand by example and diagram. Discuss in detail the role and importance of the various determinants of demand.
10. Critically evaluate the methods of debt redemption process.
11. Discuss the factors involved in formulating pricing policy? Explain in brief the different pricing methods.

**SECTION – D**

**(Compulsory Skill-based Question on Subject / Paper)**

**Skill-based Question**

**(1X12=12)**

12. Byju's, named after its founder Byju Raveendran, emerged as a frontrunner in the Ed-Tech space, revolutionizing how students learn globally. It was not just another startup but a symbol of how technology could transform traditional education systems. At its peak, it was valued at a staggering \$22 billion, making it not just India's but one of the world's most valuable Ed-Tech firms. This valuation was a testament to its impact: millions of students across different countries were using Byju's to supplement their education, and the company had become synonymous with quality learning. Byju's growth strategy also involved acquiring complementary educational platforms, like Osmo in 2019 and White Hat Junior in 2020. The downfall of Byju's started after a series of wrong business decisions that impacted their economies of scale. Some of them include:

**Shift in Business Model:** Initially, Byju's core strength lay in its educational services, but a significant shift occurred when it started focusing on hardware sales, like tablets and SD cards preloaded with educational content. This move, while financially lucrative, diluted the brand's essence.

**Financial Mismanagement:** Byju's aggressive expansion came with hefty financial implications. The company faced issues with cash flow management, substantial debt accumulation, and notable loan defaults. Byju's expanded swiftly but that came with declining output with increasing average unit costs.

**Aggressive Marketing Tactics:** Byju's aggressive marketing and pricing strategies, which were initially key to its rapid growth, eventually backfired. The company faced criticism for its high-

## **BMSCW LIBRARY**

pressure sales tactics, which included persistent follow-ups and pushing expensive courses on parents.

Other factors also included ethical issues, financial mismanagement, mass layoffs, resignations and regulatory challenges. The situation of Byju's highlights the risks of overvaluation and overexpansion without a solid foundation in sustainable business practices. The key takeaway for other companies in the sector is to balance growth by operating on economies of scale and valuing cost management.

You are required to **analyse** the following questions:

- a. What problems were faced by the Byju's highlighting the reasons for failure? **(4)**
- b. "The key to success in business is rapid expansion." Defend or refute the given statement with valid argument. **(4)**
- c. What do you mean by diseconomies of scale? Did Byju's scale their business appropriately? Comment. **(4)**

\*\*\*\*\*

**BMSCW LIBRARY**