

(i) Printed Pages : 2

Roll No.

(ii) Questions : 9

Sub. Code :

0	8	4	7
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Exam. Code :

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B.B.A. 1st Semester

1125

ESSENTIAL OF BUSINESS ECONOMICS-I

Paper - BBAS106

Time Allowed : Three Hours]

[Maximum Marks : 80

Note :- Question No. 1 is compulsory. Attempt **four** questions from Unit-I and Unit-II, selecting not more than **two** questions from each Unit. Each question carries 15 marks.

1. Attempt any **four** questions. Each question carries 5 marks.

- (i) What is business decision making ? Discuss.
- (ii) Explain the factors affecting elasticity of demand.
- (iii) State and explain the Law of Supply.
- (iv) Write a short note on opportunity cost.
- (v) Explain the relationship between average and marginal revenue.
- (vi) What are the salient features of perfect competition ?

4×5=20

UNIT-I

2. Define demand. Explain the factors which influence and demand for a commodity. Why does the demand curve slope downwards to the right ?

15

3. What do you mean by demand forecasting ? Discuss the various objectives and methods of demand forecasting. 15
4. Explain the concept of elasticity of supply. How would you measure the elasticity of supply ? Illustrate with diagrams. 15
5. Discuss the law of variable proportions. Explain the various stages of this law with the help of a table and diagram. 15

UNIT-II

6. Why is the short-run average cost curve U-shaped ? Discuss the relationship between average cost and marginal cost with the help of a table and diagram. 15
7. Define economies of scale. Differentiate between internal and external economies. What factors determine internal economies ? 15
8. What is Monopoly ? How is price determined under Monopoly ? Does monopolist always earn super normal profits ? 15
9. What is monopolistic competition ? Discuss its basic features. How is price determined under monopolistic competition ? 15