

1125

Master of Business Economics, 1st Semester  
MBE-6101/MB-6101: Business Economics  
(Common with M.Com.-Business Economics)

Time Allowed: 3 hours

Max. Marks: 80

*Note: Attempt five questions in all, selecting at least one question from each Unit. All questions carry equal marks.*

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**UNIT-I**

- I. Define Business Economics. Explain nature and scope of business economics.
- II. Explain the concept of production function with the help of a two inputs and one output case.

**UNIT-II**

- III. Why is the average cost curve 'U' shaped? Does marginal cost always fall when average cost is decreasing? Explain with the help of diagrams.
- IV. Define monopoly market. How are the price and output determined under short run and long run?

**UNIT-III**

- V. What do you understand by investment function? Explain the factors which influence the level of investment in an economy.
- VI. Critically explain Keynesian theory of employment. Explain its relevance in under developed countries.

**UNIT-IV**

- VII. What is meant by Location decisions? Explain and illustrate the Weber's theory of industrial location.
- VIII. Define Profit management. Explain profit planning and fore casting.

**UNIT-V**

- IX. Examine the arguments for and against fixed and flexible Exchange rates. Is fixed or flexible exchange rate suitable for less developed countries?
- X. Explain the objectives of monetary policy. Also explain the methods of monetary policy.

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