

2012

Bachelor of Business Administration

First Semester

BBAS-106: Essential of Business Economics -I

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt four short answer type questions from Section-A. Attempt two questions each from Section B and C respectively.

x-x-x

Section – AI. Attempt any four of the following:-

- a) Distinguish between Micro Economics and Macro Economics.
- b) Income elasticity of demand and its degrees.
- c) Objectives of Demand Forecasting.
- d) Total Revenue, Average Revenue and Marginal Revenue.
- e) Features of perfect competition.
- f) Distinguish between production costs and selling costs. (4x5)

Section – B

II. Explain in detail opportunity cost, marginal principle and equi-marginal principle used in business decision making. (15)

III. Difference between:-

- a) Extension of demand and contraction of demand
- b) Increase in demand and decrease in demand (15)

IV. What is elasticity of demand? Explain the factors affecting price elasticity of demand. (15)

V. Explain various methods of demand forecasting in detail. (15)

Section – C

VI. Establish the relationship between average revenue, marginal revenue and elasticity of demand. (15)

VII. What are returns to scale? Discuss the three stages of returns to scale. (15)

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(2)

- VIII. Explain the equilibrium of the firm and industry under perfect competition in the short run as well as long run. (15)
- IX. What is discriminating monopoly? How price and output are determined under discriminating monopoly? (15)

X-X-X