

(Please write your Exam Roll No.)

Exam Roll No. 08921401714

END TERM EXAMINATION

FIRST SEMESTER [BBA] JANUARY 2015

Paper Code: BBA103

Subject: Business Economic-I

BBA(B&I/TTM/MOM)103

Time : 3 Hours

Maximum Marks :75

Note: Attempt any six questions including Q.no.1 which is compulsory.

Q1 Explain briefly **any five** from the following: (3x5=15)

- (a) Distinguish between 'giffen goods' and 'inferior goods'.
- (b) Distinguish between implicit cost and explicit cost.
- (c) Short period and long period.
- (d) Discriminating monopoly.
- (e) Short-run supply curve of a firm.
- (f) Constant returns to scale.
- (g) Oligopoly.
- (h) Marginal rate of substitution.

Q2 Profit maximization remains the most important objective of business firms inspite of multiplicity of alternative business objectives. Comment.(12)

- Q3
- (a) What is an indifference curve? (4)
 - (b) Explain three properties of indifference curves. (4)
 - (c) What will be the shape of indifference curve:- (4)
 - (i) When both the commodities are perfect substitutes.
 - (ii) When both the goods are complementary to each other.

- Q4
- (a) Why does a demand curve usually slope downwards to the right? (6)
 - (b) Discuss percentage method of measuring price elasticity of demand.(6)

- Q5
- (a) Explain law of variable proportion. (6)
 - (b) Explain least cost combination of input for a firm. (6)

- Q6
- (a) Give reasons for the fact that MR and AR are equal under perfect competition while AR is greater than MR under monopoly. (6)
 - (b) There is always underutilized capacity in the long-run of a firm in monopolistic competition. Discuss. (6)

- Q7
- (a) Discuss short run equilibrium of a firm under perfect competition and monopoly. (6)
 - (b) Is it possible that a firm may produce while sustaining losses? If so, when and how much? (6)

Q8 Write short notes on **any three** of the following: (3x4=12)

- (a) Market interventions and failures.
- (b) Demand forecasting.
- (c) Pure profit and opportunity cost.
- (d) Nature and scope of Business Economics.

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