

END TERM EXAMINATION

FOURTH SEMESTER [BCA] MAY-JUNE 2012

Paper Code: BCA210

Subject: Business Economics

Time : 3 Hours

Maximum Marks :75

Note: Q.no.1 is compulsory. Attempt one question from each unit.

SECTION-A

- Q1 Write short notes on any five of the following:- (5x5=25)
- (a) Nature of Unemployment in India
 - (b) Circular flow in open Economy
 - (c) Marginal Rate of Technical Substitution (MRTS)
 - (d) Price Elasticity of Demand
 - (e) Pros and Cons of Globalization
 - (f) TRIPS
 - (g) Shut Down Point in market Structure
 - (h) Kinked Demand Curve under Oligopoly

UNIT-I

- Q2 Explain the law of variable proportions. Which is the best stage of production? What are the causes of operation of law of variable proportions? (12.5)

OR

- Q2 (a) Define price elasticity of demand. What are the factors that govern the degree of price elasticity of demand? (9)
- (b) Demand and supply schedule for a product is given below:
Determine price elasticity of demand when the price increases from 16 to 18 per unit of the product. (3.5)

UNIT-II

- Q3 Explain why "A firm under perfect competition is a price taker" and can enjoy only normal profits in the long run. (12.5)

OR

Discuss different methods of pricing products and state the method that would be adopted by a firm under monopolistic competition. (12.5)

UNIT-III

- Q4 What are the various tools of Fiscal Policy? Explain how can the government use these tools during recession and Boom? (12.5)

OR

What are the various causes of Inflation? What measures would you recommend to control it? (12.5)

UNIT-IV

- Q5 Discuss the significance of foreign direct investment for a developing country like India. Why India has failed to attract more FDI despite being democratic country? (12.5)

OR

What are the objectives of World Trade Organization (WTO)? How has it served the economic interest of developing countries like India? (12.5)
