Dr. BabasahebAmbedkar Open University
Term End Examination July – 2019

Course	:	**BBA**	**Date**	:	**06/07/2019**
Subject Code	:	**BBAN-301**	**Time**	:	**11:00am to 02:00pm**
Subject Name	:	**Business Economic**	**Duration**	:	**03 Hours**
			Max. Marks	:	**70**

Section A

Answer the following (Attempt any three) **(30)**

1. Explain importance and limitations of micro economics.
2. Explain government's role in all three types of economy.
3. Define demand. Explain various demand determinants.
4. Explain objectives and importance of demand forecasting.
5. Define monopoly. Explain features and types of monopoly.

Section B

Answer the following (Attempt any four) **(20)**

1. Explain Robin's definition with criticisms.
2. Write a note on income elasticity of demand.
3. Write a note on indifference curve.
4. Explain price effect in case of inferior goods.
5. Explain limitations of indifference curve approach.
6. Explain subsistence theory and wage fund theory.

Section C

Part – A (Multiple Choice Questions) **(10)**

1 The term 'micro economics' is derived from the Greek word 'mikros', meaning ______.

A	Small	B	Big
C	Tiny	D	Very small

2 ______ examines how industrial growth affects, rather destroys, natural environment of the country, the global environment.

A	Industrial finance	B	Environmental economics
C	Regional economics	D	None of these

3 The economic prosperity of a country is closely linked with the richness of her ______.

A	Demand and supply	B	Monetary resources
C	Natural resources	D	None of these

4 In economics, the term ______ is used to imply 'the edge of productivity in a production system'.

A	Marginal	B	Average
C	Variable	D	All of these

5 Money is what money does has been given by _____.

A Robertson
B Prof. Walker
C G. Crowther
D Yeager

6 _____ prices and quantities determine the cost of production for the business firms.

A Production
B Market
C Factor
D All of these

7 The market system is governed by _____, Adam Smith called.

A Invisible eyes
B Invisible hands
C Invisible mind
D None of these

8 _____ costs are the cost, which are incurred on the fixed assets.

A Long run
B Short run
C Medium run
D None of these

9 The concept of _____ or the law of diminishing marginal rate of substitution forms the core of the indifference curve analysis.

A Marginal rate of substitution
B Low of demand
C Low of supply
D None of these

10 What a consumer can actually buy depends on the _____ and the prices of goods he wants to buy.

A Income at his disposal
B Demand of that goods
C Willingness to buy
D All of these

Part – B (Do as Directed) (10)

1 ICC is curve measuring the income effect.
2 The price effect is the sum of substitution and income effects.
3 The price effect is the algebraic sum of the substitution effect and the income effect.
4 The consumer tends to buy less of giffen goods, after a point, even if their prices fall.
5 The Marshallian demand curve does not reveal the size of a consumer's given income.
6 Seller can be explained as interconnected characteristics of a market.
7 Price under monopoly is determined by the forces of demand and supply of the industry.
8 The company buys the services of various factors of production.
9 Income theory simply explains how factors of production are hired by the firm.
10 The subsistence theory replaced the wages fund theory.