Dr. Babasaheb Ambedkar Open University Term End Examination December – 2019

Course BBAHT/BBAIB/BBAAT Date 10-Jan-2020 : BBAHT - 107 (OLD)/BBAIB -Time 03:00pm to 06:00pm **Subject Code** 107/BBAAT - 107 03 Hours **Subject Name Business Economics Duration 70** Max. Marks **Section A** Answer the following (Attempt any three) (30)1. Explain the importance and characteristics of wants in economic theory 2. Explain demand and demand curve in detail with relevant example 3. What is perfect competition ?Explain characteristics of perfect competition 4. What is Microeconomics? Explain the importance and uses of microeconomics? 5. What is oligopoly? Explain duopoly and oligopoly in detail **Section B Answer the following (Attempt any four)** (20)Write a short note on importance and characteristics of wants in economic theory 1. 2. Write a short note on significance of factor pricing 3. What is law of supply? Explain with the help of supply curve. 4. What is Money? Explain the nature and functions of money 5. Write a short note on Importance of public finance 6. What is residual claimant theory explain in brief. - A (Multiple Choice Questions) (10)A market in which there are only 2 sellers of a good is known as: 1 A Duopoly В perfectly competitive \mathbf{C} monopsory D Monopoly Meaning of Laissez-faire economics is 2 a term denoting economic economic transactions in private transactions carried out by the parties where there is no State/government intervention by the State/government None of the above a branch of socialism focusing on D welfare economics 3 the term free market denote in terms of economy Maximum government intervention Minimal government intervention in trade and maximum regulations in trade and minimum regulations C Means of production owned by the D None of the above state 4 consumption goods can be referred as Goods and services that are В Goods such as tools, machinery, etc

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which are used to create final

consumption goods

None of the above

consumed fully when purchased by

Goods used for consumption in the

the consumers

production process

5	Macroeconomics as a separate branch ca	ame to	be studied after the contributions of	
	which economist?			
	A Samuelson	В	John Maynard Keynes	
	C Adam Smith	D	F. Hayek	
6	the 'founding father of modern economics'?			
	A John Maynard Keynes	В	Adam Smith	
	C F. Hayek	D	Samuelson	
7	a study of economics that deals with which 4 major factors households, firms,			
	government and external sector is known as			
	A Microeconomics	В	Macroeconomics	
	C Both (A) and (B)	D	None of the above	
8	Which goods are not included to calculate the final output			
	A Primary goods	В	Secondary goods	
	C Intermediate goods	D	None of the above	
9	What is the sum total of gross value added of all the firms in the country?			
	A Gross Domestic Product	В	Gross National Product	
	C Net Domestic Product	D	Net National product	
10	The term 'mixed economy' denoted			
	A existence of both rural and urban sectors	В	existence of both private and public sectors	
	C existence of both heavy and small industries	D	existence of both developed and underdeveloped sectors	
			0.	
	Part – B (I	Oo as l	Directed)	(10)
	State whether the statement is TRUE	or FA	LSE	
1	Monopoly refers to a situation in which there is only one Buyer of a commodity for			
	which there are many close substitutes.			
2	A shift in demand is referred to as a change in quantity demanded.			
3	There is a positive relationship between the quantity demanded of a commodity and			
	its price.			
4	The substitution effect holds that an inci	ease in	n the price of a commodity will cause	
	an individual to search for substitutes			
5	If an increase in the price of one commodity leads to a decrease in demand for a			
	second commodity, then the two commodities are complements.			
6	Inferior goods are generally purchased at High levels of income but not at Low levels of income			
7	An individual's supply curve is formulated under the assumption that price is held			
	constant and all other determinants of de			
8	A change in the price of a commodity will cause the supply curve for that			

If the independent individual consumer demand curves for a commodity are horizontally summed, the result is the market demand curve for the commodity.

commodity to shift.

Mobile and SIM cards are substitutes.

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