## Dr. Babasaheb Ambedkar Open University Term End Examination March – 2021

**BBA** Course Date 01-March-2021 **Subject Code BBA-301(NEW)** Time 10:00am to 12:00pm **Business Economics Duration** 02 Hours **Subject Name** Max. Marks **50 Section A Answer the following (Attempt any two)** (20)1. Explain the main reasons for the failures of the market system. 2. Write a note on Law of Supply and supply curve. 3. Explain the theory of consumer behavior in detail. 4. What is market. Explain the market structure and classification of Market. **Section B** Answer the following (Attempt any three) (15)Explain the main problems of an economy. 1. 2. Explain the need and use of macroeconomy. 3. Write a note on how we calculate elasticity of demand. Explain income effect and substitution effect. 4. 5. How do we forecast depend and sales? Explain. Section C A (Multiple Choice Questions) (10)A firm's marginal revenue 1 is always negative can be positive is always positive D is zero at point at which the total revenue is maximum 2 In a monopoly market, an upward shift in the market demand results in a new equilibrium with A A higher quantity and a lower price В A higher quantity and the same price All of the above A higher quantity and higher price D Demand Analysis includes: 3 A Demand Forecasting **Demand Differentials** В **Demand Determinations** 4 Which economist stated the positive impact of monopoly? Adam Smith A Marshall В

D

Pigou

Joseph Schumpeter

5	Cross elasticity of demand between two perfect substitutes will be				
	A	Low	В	High	
	C	Zero	D	Infinity	
6	Shif	ts in demand curve include			
	A	Increase in Demand (Upward shift)	В	Extension in demand	
	C	Contraction in demand	D	None of the above	
7	An indifference curve is always				
	A	A vertical straight line	В	Convex to the origin	
	C	Concave to the origin	D	A horizontal straight line	
8	In case of monopoly, a firm in the long run can have				
	A	Loss	В	Super Normal Profit	
	C	Break even	D	All of these	
9	Marginal cost curve cuts the average cost curve from below at				
	A	its lowest point	В	the left of the lowest point	
	C	right of the lowest point	D	All of the above	
10	Elasticity of demand measures the				
	A	Sensitivity of sales to changes in a	В	Sensitivity of production to	
		particular causal factor		changes in a particular cost	
	C	Value of price and cost	D	Volume of product	
	Part – B (Do as Directed)				(05)
	State weather the following statement are True or False				
1	Car and Petrol have negative cross elasticity of demand				
2	Larger the number of postitutes, the more elastic is the demand				
3	Law of Demand is explained by Prof. Robbins.				
4	Supply is a relative term				
5	If price falls, supply curve will shift to the left				

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