

Dr. Babasaheb Ambedkar Open University
Term End Examination July – 2023

Course	: BBAR/DBAR	Date	: 28-July-23
Subject Code	: BBAR-104/DBAR-104	Time	: 03:45pm to 06:00pm
Subject Name	: Business Economics	Duration	: 02.15 Hours
		Max. Marks	: 70

Section A

Answer the following (Attempt any three) (30)

1. Explain the production function in detail.
2. Discuss separation of price effect into income effect and substitution effect.
3. Give the meaning of perfect competition and explain its characteristics.
4. Describe kinked demand curve model with the help of figure.
5. Discuss Ricardian theory of rent.

Section B

Answer the following (Attempt any four) (20)

1. Give the meaning of accounting cost and economic cost.
2. Explain opportunity cost.
3. Narrate the variation and change in demand.
4. Define indifference curve with the help of figure.
5. Discuss types of monopoly
6. Describe types of externalities.

Section C

Part – A (Multiple Choice Questions) (10)

1. _____ is the study of the nature, relationship and behavior of aggregates and averages of economic quantities.
A Microeconomics B Macroeconomics
C Both (A) and (B) D None of these
2. The motivating force for private enterprises is _____.
A Social welfare B Services
C Profit D None of these
3. _____ is the cost that is obtained after dividing Total Cost with the number of units produced.
A Average cost B Marginal cost
C Fixed cost D Variable cost
4. _____ are those, which vary with the variation in total output.
A Average cost B Marginal cost
C Fixed cost D Variable cost
5. The _____ is the sum of substitution and income effects.
A Price effect B Income effect
C Substitution effect D None of these

- 6 _____ is the locus of points representing all the different combinations of the two goods that can be purchased by the consumer, given his money income and the prices of the two goods.
- A Indifference curve B Supply curve
C Budget line D Demand curve
- 7 _____ is a market situation in which there are only two producers or sellers of a product.
- A Duopoly B Perfectly competitively
C Oligopoly D Monopoly
- 8 _____ is a firm in the market who sets the common price and all have to follow more or less the same price.
- A Quantity leader B Price leader
C Sells leader D None of these
- 9 _____ is one of the theory of wages.
- A Wage fund theory B Wage payment theory
C Wage determination theory D Wage collect theory
- 10 Dynamic Theory is associated with the name of _____.
- A Knight B J. B. Clark
C Marshall D Schumpeter

Part – B (Do as Directed)

(10)

- 1 According to _____, economics is the study of wealth only.
- 2 The actual expenses of individuals/ firms which are borne or paid out by the individual or a firm can be termed as Private Cost. (True / False)
- 3 What is meant by cross elasticity of demand?
- 4 _____ is the addition to the total cost because of producing one additional unit of the product.
- 5 Total Revenue – Total Cost = _____
- 6 What is meant by fiscal policy?
- 7 Market failure causes equal distribution of resources. (True / False)
- 8 Information failure exists when one participant in an economic exchange knows more than the other, a situation referred to as the problem of _____.
- 9 Total Utility – Total Amount Spent = _____.
- 10 What is meant by hard currency?
