

Total No. of Questions : 9]
(1126)

[Total No. of Printed Pages : 3

**Bachelor of Business Administration Ist
Semester (0021) Examination**

0866

**ESSENTIALS OF BUSINESS ECONOMICS-I
Paper : BBAS106**

Time : 3 Hours]

[Maximum Marks : 80

Note :- Question No. 1 is compulsory. Attempt *four* questions from Unit-I and Unit-II, selecting not more than *two* questions from each Unit and each question carries 15 marks.

1. Attempt any *four* questions. Each question carries 5 marks.

- (i) Discuss the factors which influence the demand for a commodity.
- (ii) Explain the Law of supply.
- (iii) Brief out the law of returns to scale.
- (iv) Distinguish between internal and external economies.

(v) Discuss the role of time element in price determination.

(vi) Explain the main features of monopolistic competition.

Unit-I

2. What is law of demand ? Why does demand curve slope downwards to the right ?
3. Define price elasticity, income elasticity and cross elasticity of demand. Explain the various methods of measuring price elasticity.
4. What is demand forecasting ? Discuss the various methods used for demand forecasting.
5. State and explain the law of variable proportion with the help of a table and diagram.

Unit-II

6. Explain different cost concepts with the help of suitable diagrams. Show the relationship between AC and MC curves.

7. Explain the concepts of average revenue, marginal revenue and total revenue. Show how they are related to each other.
8. What are the characteristics of perfect competition ? Explain with the help of table and diagram the short equilibrium of a competitive firm.
9. What are selling costs ? How do they influence the equilibrium of a firm under the condition of monopolistic competition ?