

2031  
Bachelor of Business Administration  
First Semester  
BBAS-106: Essential of Business Economics -I

Time allowed: 3 Hours

Max. Marks: 80

**NOTE:** Attempt four short answer type questions from Section–A. Attempt two questions each from Section B and C respectively.

x-x-x

**Section – A**

- I. Attempt any four of the following:-
- a) Define the concept of Equi-marginal principle.
  - b) State exceptions to Law of Demand.
  - c) What is Income Elasticity of demand? Give its degrees.
  - d) Give types of price discrimination.
  - e) Establish relationship between average cost and marginal cost.
  - f) Distinguish between selling costs and production costs. (4x5)

**Section – B**

- II. Differentiate between:-
- a) Increase in Demand and Extension of Demand
  - b) Decrease in Demand and Contraction of Demand (15)
- III. Give types of elasticity of demand. Explain factors affecting elasticity of demand. (15)
- IV. State and explain law of supply. What are the determinants of supply? (15)
- V. What are returns to scale? Explain in detail three types of returns to scale. (15)

**Section – C**

- VI. Discuss Economies and Diseconomies of scale with suitable examples. (15)
- VII. Define the concept of Total Revenue, Average Revenue and Marginal Revenue. Bring out the relationship between Average Revenue, Marginal Revenue and Elasticity of Demand. (15)
- VIII. Give features of perfect competition. Explain the role of time element in price determination under perfect competition. (15)
- IX. What is Monopolistic Competition? How equilibrium of a firm and industry is determined under Monopolistic competition. (15)

x-x-x