

## END TERM EXAMINATION

FIRST SEMESTER [BBA] FEBRUARY 2023

Paper Code: BBA-107

Subject: Business Economics

BBA(B&I)-107

BBA(CAM)-107

Time: 3 Hours

Maximum Marks: 75

**Note: Attempt five questions in all including Q. No.1 which is compulsory. All questions carry equal marks.**

- Q1 Explain briefly **any five** from the following:-
- (a) Cross elasticity of Demand
  - (b) Sweezy Kinked Demand Curve model
  - (c) Distinguish between Private cost & Social cost
  - (d) Opportunity Cost
  - (e) Law of Equi marginal utility
  - (f) Law of returns to scale
  - (g) Marginalism & Incrementalism
  - (h) Production Function
- Q2 What are the characteristics of Monopolistic competition? Compare the characteristics of monopolistic competition with those of perfect competition.
- Q3 (a) What is meant by Envelope curve (LAC)? Explain Graphically.  
(b) What are the steps involved in Demand Forecasting?
- Q4 Explain Demand Schedule, Demand curve and Demand function. Derive a demand curve from the demand function:  $Q = 50 - 10P$ .
- Q5 (a) What is meant by the term "equilibrium" in Economics?  
(b) Explain consumer's Equilibrium by using the Cardinal Utility Approach.
- Q6 What is price discrimination? How price is determined under it? Is price discrimination useful to society?
- Q7 Profit maximization remains the most important objective of business firms in spite of multiplicity of alternative business objectives. Comment.
- Q8 A monopoly firm can earn super normal profits but will never suffer losses? Comment and substantiate your views using suitable illustrations.

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