

Assignment - 01

①

Part - A

① Explain the role of a business economist?

A business economist applies economic theory to business decisions.

main roles:-

- * Demand forecasting and sales predication
- * Pricing policy formulation
- * cost and profit analysis.

② Define Partnership Deed.

A partnership Deed is a written legal document containing the terms and conditions agreed upon by partners for running the partnership business.

③ Define Elasticity of Demand.

Elasticity of Demand measures the degree of responsiveness of quantity demanded to a change in price, income or other factors.

④ Briefly explain survey methods.

Survey methods collect primary data directly from consumers.

Types:-

- * personal interview
- * Telephone interview
- * mail questionnaire
- * online survey

Used for market research and demand forecasting.

⑤ Features of perfect competition.

- * Large number of buyers and sellers
- * Homogeneous product
- * free entry and exit.

⑥ Differentiate monopoly and monopolistic competition.

monopoly competition	monopolistic competition
<ul style="list-style-type: none">* one seller* Unique product* Restricted* full control	<ul style="list-style-type: none">* many sellers* Differentiated* Free entry* Partial control

Part-B

⑦ Define business economics and explain its nature and scope.

Business economics is the application of economic principles and tools in business decision-making

Nature:-

- * micro economic in nature
- * practical and applied science
- * decision oriented
- * forward looking (forecasting)

Scope:-

- * Demand analysis & forecasting
- * Production & cost analysis
- * Pricing decisions
- * Profit management
- * Capital budgeting

⑧ Explain demand forecasting methods.

Demand forecasting means predicting future demand for a product

Methods:-

① Survey methods:-

- consumer survey
- sales force opinion
- market experiment

② Statistical methods:-

- Trend projection
- Regression analysis
- Time series analysis

③ Barometric method:-

uses economic indicators (leading, lagging)

⑨ Define Isoquants and explain its features.

An Isoquant is a curve showing different combinations of two inputs (labour and capital) producing the same output.

features:-

- * Downward sloping
- * convex to origin
- * Do not intersect
- * Higher isoquant = higher output

Part-c

- ⑩ Define the business cycle. Explain the features and phases of the business cycle.

Business cycle:-

Business cycle refers to periodic fluctuations in economic activity (income, output, employment).

features:-

- Recurrent but not regular
- Occurs in all economies
- Affects all sectors
- wave-like movements

phases:-

1. Expansion (Boom) :- high production & employment
2. Peak :- maximum prosperity
3. Recession :- decline in demand & output
4. Depression :- lowest economic activity
5. Recovery :- economy improves.

⑪ What is supply analysis? Explain its determinants.

Supply analysis studies the behavior of producers regarding quantity supplied at different prices.

Determinants of supply:-

- Price of the product
- Cost of production
- Prices of related goods
- Technology
- Government policies
- Expectations of future price
- Number of sellers
- Natural conditions

⑫ Define market and explain various classification of the market.

Market:-

A market is a place or system where buyers and sellers interact to exchange goods and services.

Classification:-

1. On the basis of competition

- monopoly

- perfect competition
- monopolistic competition
- oligopoly

2. On the basis of area

- local market
- National market
- International market

3. On the basis of time

- very short period
- short period
- long period