

Total No. of Questions: 6

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Enrollment No.....



Faculty of Management Studies

End Sem Examination Dec-2023

MS3CO35 Economic Analysis for Business Decisions

Programme: BBA

Branch/Specialisation: Business

Analytics

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d. Assume suitable data if necessary. Notations and symbols have their usual meaning.

- Q.1 i. GDP stands for- 1  
(a) Gross domestic product (b) Gross domestic plan  
(c) Gross dynamic process (d) All of these
- ii. What is the ranking of India in global economy today? 1  
(a) First (b) Third (c) Fifth (d) Seventh
- iii. Which one of the following is true about the meaning of demand? 1  
(a) Demand is an effective desire  
(b) Demand in Economics is always at price  
(c) Demand is expressed with reference to a particular time period  
(d) All of these
- iv. Which refers to the demand for two or more goods that are purchased together? 1  
(a) Combined consumption (b) Joint demand  
(c) Ex post demand (d) Ex-ante demand
- v. When the price equals the equilibrium price and quantity bought and sold equals the equilibrium quantity is called- 1  
(a) Consumer equilibrium (b) Market equilibrium  
(c) Mechanized equilibrium (d) Suppliers' equilibrium
- vi. Which factor determines equilibrium price? 1  
(a) Demand for commodity (b) Supply of commodity  
(c) Both (a) and (b) (d) None of these

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- vii. What cost of next best alternative good that is given up for the production of a particular good? **1**  
 (a) Opportunity cost (b) Explicit cost  
 (c) Economic cost (d) Money cost
- viii. Which of the following has a major influence on pricing decisions? **1**  
 (a) Customer demand (b) Actions of competitors  
 (c) Costs (d) All of these
- ix. The term business cycle refers to- **1**  
 (a) The ups and downs in production of commodities  
 (b) The fluctuating levels of economic activity over a period of time.  
 (c) Decline in economic activities over prolonged period of time  
 (d) Increasing unemployment rate and diminishing rate of savings
- x. Which of the following statements is correct? **1**  
 (a) The business cycle largely affects the agricultural sector  
 (b) The business cycle largely affects small employees  
 (c) The business cycle generally affects all sectors of economy but business sector in particular  
 (d) The business cycle affects low wages workers.
- Q.2 i. Give the definition of business economics. **2**  
 ii. Describe the nature and scope of managerial economics. **3**  
 iii. Explain the importance of economics analysis for business decision with suitable example. **5**
- OR iv. Give the difference between microeconomics and macroeconomics with suitable example. **5**
- Q.3 i. Define law of diminishing marginal utility with appropriate graph. **2**  
 ii. What is law of demand? Enumerate the determinates of law of demand and explain types of price elasticity of demand. **8**
- OR iii. Explain the level and methods of demand forecasting and discuss the criteria for good demand forecasting. **8**
- Q.4 i. What is the meaning of supply? Give the definition of law of supply with graphical representation. **3**

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- ii. Explain the concept of market equilibrium. Discuss the factors responsible for changes in market equilibrium. **7**
- OR iii. Define economies of scale. Describe the cost-output relationship in the short run and long run cost. **7**
- Q.5 i. What is price determination under perfect competition? Explain with suitable example. **4**  
 ii. Discuss the need for government intervention in markets for prevention and control of monopolies. **6**
- OR iii. Define revenue and pricing policies with appropriate example. What are the objectives of pricing policies? **6**
- Q.6 Attempt any two:  
 i. Explain consumption and investment function in economics. **5**  
 ii. Describe the concept of marginal efficiency of capital with suitable example. **5**  
 iii. Define business cycle and explain its phases. **5**

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