Enrollment No.....................................

Faculty of Management Studies
End Sem Examination Dec 2024
MS3EG13 Business Economics - I
Programme: BBA   Branch/Specialisation: Management

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.

			Marks	BL	PO	CO	PSO
Q.1	i.	Prof. Baumol's hypothesis is associated with-	1	1	1	1	2, 1
		(a) Profit maximization					
		(b) Sales maximization					
		(c) Growth rate					
		(d) None of these					
	ii.	A study of sample and results implement on populations is associated with-	1	1	1	1	3, 2
		(a) Inductive (b) Deductive					
		(c) Sampling (d) None of these					
	iii.	Shift in demand curve caused by the change in _____.	1	1	2	1	2, 1
		(a) Income (b) Taste					
		(c) Both (a) and (b) (d) Price					
	iv.	The correlation between taste and demand for normal commodity is-	1	1	4	1	2, 1
		(a) Positive (b) Negative					
		(c) Zero (d) One					
	v.	Product obtained from the additional factor of production is termed as _____.	1	2	5	2	2, 1
		(a) Marginal product					
		(b) Total product					
		(c) Average product					
		(d) Annual product					

vi. In the _____ change in all factors of production is possible. **1** | 2 | 6 | 2 | 2, 1
   (a) Short period
   (b) Long period
   (c) Intermediate period
   (d) Market period

vii. In _____ market goods are sold at uniform price? **1** | 1 | 4 | 1 | 2, 1
   (a) Perfect competitive
   (b) Monopoly
   (c) Oligopoly
   (d) Monopolistic

viii. In which market demand curve is elastic? **1** | 2 | 3 | 2 | 3, 2
   (a) Perfect competition
   (b) Monopoly
   (c) Oligopoly
   (d) Monopolistic

ix. According to classical economist savings is function of- **1** | 1 | 5 | 1 | 3, 2
   (a) Investment   (b) Rate of interest
   (c) Expenditure   (d) Income

x. The Risk-taking theory is propounded by- **1** | 1 | 2 | 1 | 2, 1
   (a) Prof. Marshall
   (b) F. B. Hawley
   (c) Prof. A. C. Pigou
   (d) Prof. Frank H. Knight

Q.2 i. Discuss the scope of microeconomics, with examples. **4** | 2 | 9 | 2 | 3, 2

ii. What do you mean by inductive method? Discuss its merits and demerits with example. **6** | 2 | 10 | 2 | 3, 4

OR iii. Discuss the utility of economics in business with examples. **6** | 3 | 11 | 3 | 4, 3

Q.3 i. Explain cardinal utility measurement with example. **3** | 2 | 7 | 2 | 3, 2

ii. What do you mean by price elasticity of demand? Explain the types of price elasticity of demand. **7** | 2 | 9 | 2 | 4, 3

OR iii. Elaborate movement along the demand curve and shift in demand curve with example. **7** | 2 | 6 | 2 | 3, 4

Q.4 i. What do you mean by production function? **2** | 2 | 7 | 2 | 3, 2

ii. What do you mean by revenue? Draw the average revenue and marginal revenue curves in perfect competition and monopolistic competition. **8** | 2 | 1 | 2 | 4, 3

OR iii. What do you mean by cost? Explain any six types of cost. **8** | 2 | 12 | 2 | 3, 4

Q.5 i. There is a monopolistic competition in a country, and you would like to enter into this type of market. Analyze the above situation and draw a suitable price plan. **3** | 4 | 11 | 4 | 4, 3

ii. What do you mean by monopolistic competition? Explain price and output determination under the monopolistic competition in short run. **7** | 2 | 6 | 2 | 2, 1

OR iii. What do you mean by monopoly? Explain the price discrimination under market monopoly. **7** | 2 | 9 | 2 | 4, 3

Q.6 Attempt any two:
   i. Discuss the classical theory of interest. **5** | 2 | 11 | 2 | 3, 2
   ii. Write a detailed note on dynamic theory of profit. **5** | 2 | 9 | 2 | 4, 3
   iii. Elaborate innovation theory of profit. **5** | 2 | 7 | 2 | 3, 4

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Marking Scheme
MS3EG13 Business Economics

Q.1 i) **b) Sales Maximization** 1

ii) **a) Inductive** 1

iii) **c) Both a) and b** 1

iv) **a) Positive** 1

v) **a) Marginal product** 1

vi) **b) Long period** 1

vii) **a) Perfect competitive** 1

viii) **d) Monopolistic** 1

ix) **(b) Income** 1

x) **(b) F. B. Hawley** 1

Q.2 i. Discuss the scope of microeconomics, with examples. 4
Scheme:
(a)Discuss any 4 scope each carry one mark.

ii. What do you mean by Inductive method? Discuss its merits and demerits with example. 6
Scheme:
(a) Define Inductive method ……………2
(b) Explain any 4 Merits each carry 0.5 marks…………………………………2
(b) Explain any 4 Demerits each carry 0.5 marks…………………………………2

OR iii. Discuss the utility of economics in business. With examples. 6
Scheme: Explain any four points with example.
Points 1 mark each   example 2 mark

Q.3 i. Explain cardinal utility measurement with example. 3
Scheme: Explain cardinal utility measurement.
Explain 2 mark   example 1 mark

ii. What do you mean by price elasticity of demand? Explain the types of price elasticity of demand. 7
Scheme:
(a)Write the meaning of price elasticity of demand.   2
(2) Explain five types of price elasticity of demand with diagram each carry one marks.   5

OR iii. Elaborate movement along the demand curve and shift in demand curve. 7
Scheme: Elaborate movement along the demand curve and shift in demand curve. Each carry 3.5 marks

Q.4 i. What do you mean by production function? 2
Scheme:
Write the meaning of production function.

ii. What do you mean by revenue? Draw the average revenue and marginal revenue curves in perfect competition and monopolistic competition. 8
Scheme:
(a) Write the meaning of revenue …………………………………..2
(b) Draw the average revenue and marginal revenue curves in perfect competition. …………………………………………….3
(c) Draw the average revenue and marginal revenue curves in monopolistic competition…………………………………………..3

OR iii. What do you mean by cost? Explain any six types of cost. 8
Scheme:
(a) Write the meaning of cost. …………………………………..2
(b) Explain any six types of cost. ……………………………….6

Q.5 i. **Scheme:** 3
Situation. ………………1
Price plan ……………….2

	ii.	What do you mean by monopolistic competition? Explain price and output determination under the monopolistic competition in short run	7

Scheme:
(a)Write the meaning of monopolistic competition. ………….2
(b) Draw the diagrams and to explain price and output determination under the monopolistic competition. Each diagram carries 1 mark………………………………….5

OR	iii.	What do you mean by monopoly? Explain the price determination of monopoly in short run and long run.	7

Scheme:
(a)Write the meaning of monopoly.   ………….3
(b) Price discrimination under monopoly ……………………… 4

Q.6   Attempt any two:

	i.	Discuss the classical theory of interest.	5

Scheme:
Meaning ……………………..1
Assumption any two ………….1
Explain with diagram ………….2
Criticism ………………………..1

	ii.	Write a detailed note on dynamic theory of profit.	5

Scheme:
Explain the dynamic theory of profit.

	iii.	Elaborate innovation theory of profit.	5

Scheme:
Elaborate innovation theory of profit.

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