

Enrollment No.....



Faculty of Management Studies
End Sem Examination Dec 2024
MS3CO35 Economic Analysis for Business Decisions
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. Microeconomics deals with-	1	1	10	1	
(a) Consumer behaviour					
(b) Consumer equilibrium					
(c) Varius types of market					
(d) All of these					
ii. Macroeconomics deals with-	1	1	10	2	
(a) Macroeconomic variables of an individual					
(b) Macroeconomic variables of a city					
(c) Aggregate of macroeconomic variables					
(d) None of these					
iii. Which type of correlation exit between income of a consumer and demand of a product?	1	2	1	2	
(a) Positive					
(b) Negative					
(c) Both (a) and (b)					
(d) Zero correlation					
iv. Law of diminishing marginal utility is based on-	1	1	10	2	
(a) Cardinal utility measurement					
(b) Ordinal utility measurement					
(c) Neutral utility measurement					
(d) Positive utility measurement					
v. There is correlation between price and supply-	1	2	7	2	
(a) Positive					
(b) Negative					
(c) Both (a) and (b)					
(d) Zero correlation					

	[2]		[3]
vi.	A supply curve shifts due to-	1 2 3 2	OR iii. A market having elastic demand curve. You as an entrepreneur want to enter in such market. Discuss your plan of pricing strategy with diagram.
(a)	Change in raw material cost		6 4 4 4
(b)	Change in labour cost		
(c)	Both (a) and (b)		
(d)	None of these		
vii.	There is a single price in which type of competition?	1 1 10 2	Q.4 i. Elaborate any four factors to determine elasticity of supply.
(a)	Perfect competition		4 3 3 2
(b)	Monopolistic competition		ii. What do you mean by cost? Elaborate any five types of cost.
(c)	Oligopoly competition		OR iii. Critically explain law of supply.
(d)	Monopoly competition		6 2 10 2
viii.	Which type of market have highly elastic demand curve?	1 1 3 2	Q.5 i. Explain any four types of pricing policies.
(a)	Perfect competition		4 2 10 2
(b)	Monopolistic competition		ii. What do you mean by perfect competition. Describe any six characteristics of perfect competition.
(c)	Oligopoly competition		OR iii. There is an oligopolistic market. You as an entrepreneur what to enter the market. Prepare a price plan for an oligopolistic market.
(d)	Monopoly competition		6 4 4 4
ix.	A consumption function is $y = a + bx$. In the above equation what do you mean by b?	1 1 3 2	Q.6 Attempt any two:
(a)	Intercept		i. Draw a business plan for a higher MPC economy.
(b)	Slope of consumption function		ii. Draw a business plan for a prosperity phase of a business cycle for an economy.
(c)	Constant		iii. Write a detailed note on marginal efficiency of capital.
(d)	None of these		5 4 7 4
x.	The lowest point of a business cycle is-	1 1 10 2	5 4 11 4
(a)	Peak		
(b)	Trough		
(c)	Recovery		
(d)	None of these		
Q.2	i. Differentiate between microeconomics and macroeconomics. ii. What do you mean by managerial economics. It is base for decision making. Discuss this statement with any five appropriate examples.	3 2 10 2	*****
OR	iii. Critically explain the profit maximization model.	7 2 3 2	
Q.3	i. Discuss any one method of demand forecasting. ii. Critically explain law of diminishing marginal utility.	4 2 7 2	
		6 2 2 3	

Marking Scheme

MS3CO35 (T) Economic Analysis for Business Decisions (T)

<p>Q.1</p> <ul style="list-style-type: none"> i) (d)All of the above 1 ii) (c)Aggregate of macroeconomic variables. 1 iii) (a)Positive 1 iv) (a)Cardinal utility measurement 1 v) (a)Positive 1 vi) (c)Both above (a) and (b) 1 vii) (a)Perfect competition 1 viii) (b)Monopolistic competition 1 ix) (b)Slop of consumption function 1 x) (b)Trough 1 	<p>Q.2</p> <ul style="list-style-type: none"> i. Differentiate between microeconomics and macroeconomics. 3 Scheme: Write any three differences, each carry one mark. ii. What do you mean by managerial economics. It is base for decision making. Discuss this statement with any five appropriate examples. 7 Scheme: 1)write the meaning of managerial economics. 2 marks 2) It is base for decision-making. Discuss this statement with any five appropriate points with examples. 5 marks 	<p>OR</p> <ul style="list-style-type: none"> iii. Critically explain the profit maximization model. 7 Scheme: 1)Statement of the profit maximization model. 2 mark. 2)Assumptions. 1 mark 3)Explanation of the model. 3 marks 4)Criticism. 1 mark 	<p>OR</p> <ul style="list-style-type: none"> iii. Discuss your plan of pricing strategy with diagram. 6 Scheme: elastic demand 2 marks market 2 marks plan of pricing 2 marks
		<p>Q.4</p> <ul style="list-style-type: none"> i. Elaborate any four factors to determine elasticity of supply. 4 Scheme: one mark for each factor ii. What do you mean by cost? Elaborate any five types of cost. 6 Scheme: a)Write about the cost. b) Elaborate any five types of cost.....Each carry one mark. 	
		<p>OR</p> <ul style="list-style-type: none"> iii. Critically explain law of supply. 6 Scheme: a) Define law of supply. 1 mark b) Assupmtions..... 1 mark c) Explanation. 3 marks d) Criticism. 1 mark 	
		<p>Q.5</p> <ul style="list-style-type: none"> i. Explain any four types of pricing policies. 4 Scheme: one mark for each factor ii. What do you meany by perfect competition. Describe any six characteristics of perfect competition. 6 Scheme: a) Write about the Perfect competition. 1 mark b) Explain any five characteristics. 5 marks 	
		<p>OR</p> <ul style="list-style-type: none"> iii. There is an oligopolistic market. You as an entrepreneur what to enter the market. Prepare a price plan for an oligopolistic market. 6 Scheme: one mark for each point 	
<p>Q.3</p> <ul style="list-style-type: none"> i. Discuss any one method of demand forecasting. 4 Scheme:4 mark for one method ii. Critically explain law of diminishing marginal utility. 6 Scheme: 1)Define the law... 1 mark 2)Assumptions 1 mark. 3)Explanation of the law with table and diagram. 3 marks 4)Criticism of the law..... 1 mark. 	<p>Q.6</p> <ul style="list-style-type: none"> i. Draw a business plan for a higher MPC business cycle for an economy. 5 Scheme: one mark for each point in plan ii. Draw a business plan for a prosperity phase of an economy. 5 Scheme: One mark for each point in plan iii. Write a detailed note on marginal efficiency of capital. 5 Scheme: 		

