

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) Various 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 exist 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]

vi.	A supply curve shifts due to-	<b>1</b>	2	3	2
	(a) Change in raw material cost				
	(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?	<b>1</b>	1	10	2
	(a) Perfect competition				
	(b) Monopolistic competition				
	(c) Oligopoly competition				
	(d) Monopoly competition				
viii.	Which type of market have highly elastic demand curve?	<b>1</b>	1	3	2
	(a) Perfect competition				
	(b) Monopolistic competition				
	(c) Oligopoly competition				
	(d) Monopoly competition				
ix.	A consumption function is $y = a + bx$ . In the above equation what do you mean by b?	<b>1</b>	1	3	2
	(a) Intercept				
	(b) Slope of consumption function				
	(c) Constant				
	(d) None of these				
x.	The lowest point of a business cycle is-	<b>1</b>	1	10	2
	(a) Peak				
	(b) Trough				
	(c) Recovery				
	(d) None of these				
Q.2	i. Differentiate between microeconomics and macroeconomics.	<b>3</b>	2	10	2
	ii. What do you mean by managerial economics. It is base for decision making. Discuss this statement with any five appropriate examples.	<b>7</b>	2	1	3
OR	iii. Critically explain the profit maximization model.	<b>7</b>	2	3	2
Q.3	i. Discuss any one method of demand forecasting.	<b>4</b>	2	7	2
	ii. Critically explain law of diminishing marginal utility.	<b>6</b>	2	2	3

[3]

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.	<b>6</b>	4	4	4
Q.4	i.	Elaborate any four factors to determine elasticity of supply.	<b>4</b>	3	3	2
	ii.	What do you mean by cost? Elaborate any five types of cost.	<b>6</b>	2	7	2
OR	iii.	Critically explain law of supply.	<b>6</b>	2	10	2
Q.5	i.	Explain any four types of pricing policies.	<b>4</b>	2	10	2
	ii.	What do you mean by perfect competition. Describe any six characteristics of perfect competition.	<b>6</b>	3	3	2
OR	iii.	There is an oligopolistic market. You as an entrepreneur what to enter the market. Prepare a price plan for an oligopolistic market.	<b>6</b>	4	4	4
Q.6		Attempt any two:				
	i.	Draw a business plan for a higher MPC economy.	<b>5</b>	4	7	4
	ii.	Draw a business plan for a prosperity phase of a business cycle for an economy.	<b>5</b>	4	11	4
	iii.	Write a detailed note on marginal efficiency of capital.	<b>5</b>	2	10	3

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## Marking Scheme

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

Q.1	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
Q.2	i.	Differentiate between microeconomics and macroeconomics. Scheme: Write any three differences, each carry one mark.	3
	ii.	What do you mean by managerial economics. It is base for decision making. Discuss this statement with any five appropriate examples. 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	7
	OR	iii. Critically explain the profit maximization model. 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	7
Q.3	i.	Discuss any one method of demand forecasting. Scheme:4 mark for one method	4
	ii.	Critically explain law of diminishing marginal utility. 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.	6

OR	iii.	Discuss your plan of pricing strategy with diagram. Scheme: elastic demand 2 marks market 2 marks plan of pricing 2 marks	6
Q.4	i.	Elaborate any four factors to determine elasticity of supply. Scheme: one mark for each factor	4
	ii.	What do you mean by cost? Elaborate any five types of cost. Scheme: a)Write about the cost. ....1 b) Elaborate any five types of cost.....Each carry one mark.	6
OR	iii.	Critically explain law of supply. Scheme: a) Define law of supply. .... 1 mark b) Assupmtions..... 1 mark c) Explanation. .... 3 marks d) Criticism. .... 1 mark	6
Q.5	i.	Explain any four types of pricing policies. Scheme: one mark for each factor	4
	ii.	What do you meany by perfect competition. Describe any six characteristics of perfect competition. Scheme: a) Write about the Perfect competition. 1 mark b) Explain any five characteristics. 5 marks	6
OR	iii.	There is an oligopolistic market. You as an entrepreneur what to enter the market. Prepare a price plan for an oligopolistic market. Scheme: one mark for each point	6
Q.6	i.	Draw a business plan for a higher MPC business cycle for an economy. Scheme: one mark for each point in plan	5
	ii.	Draw a business plan for a prosperity phase of an economy. Scheme: One mark for each point in plan	5
	iii.	Write a detailed note on marginal efficiency of capital. Scheme:	5

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