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**F-1907**

**Bachelor of Business Administration  
(Second Semester)  
EXAMINATION, May-June, 2022  
BUSINESS ECONOMICS  
(107)**

*Time : Three Hours]*

*[Maximum Marks: 90*

*[Minimum Pass Marks:32*

**Note: Answer all the five questions. One question from each unit is compulsory. All questions carry equal marks.**

**Unit-1**

1. What is Price Elasticity of Demand? What is its significance in business?

**OR**

Write short note on the following:

- (a) Determinants of demand
- (b) Law of demand with exceptions

**P.T.O.**

[2]

**Unit-2**

2. "If the production function is homogenous with constant returns to scale everywhere, the return to a single variable factor will be diminishing." Explain.

**OR**

Discuss briefly the different cost concepts relevant to managerial decisions of planning.

**Unit-3**

3. Is perfect competition a possible market situation in any of the economies of the world? Give reason in support of your view point.

**OR**

What is monopoly ? Explain price discrimination in case of monopoly.

**Unit-4**

4. Discuss the meaning and main features of monopolistic market situation. Explain price- output determination of a firm in monopolistic competition under long run.

**OR**

Write short note on:-

- (a) Price determination under differentiated oligopoly
- (b) Kinds of Price Leadership Model

**Unit-5**

5. Explain Ricardian theory of rent in detail.

**OR**

Explain nature & concept of profit. Explain any two theories of profit & its significance in economics.

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