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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)

EXAMINATION : JUNE - 2022

SEMESTER - II

Sub. : Business Economics - I (BBA15- 215)

Date : 17/06/2022

Total Marks : 60

Time: 10.00am to 12.30pm

- Instructions:** 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

Q. 1. Choose the most appropriate option. (05)

1. Micro economics is study of ..

| | |
|---------------------|--------------------|
| a) Individual Units | b) Aggregate Units |
| c) Total Units | d) National Income |
2. There is Relation between price and demand

| | |
|-------------|------------|
| a) Positive | b) Inverse |
| c) Upward | d) Direct |
3. Price Elasticity of essential goods is ...

| | |
|------------------------|-----------------------|
| a) Perfectly Elastic | b) Relatively Elastic |
| c) Perfectly Inelastic | d) Unitary |
4. Which of the following is factor of production?

| | |
|------------------|-------------|
| a) Raw materials | b) Machines |
| c) Capital | d) Money |
5. The labour of family members is accounted as ...

| | |
|---------------------|------------------|
| a) Explicit Cost | b) Implicit Cost |
| c) Opportunity Cost | d) Marginal Cost |

Q. 2. State True / False (05)

1. Business Economics is the component of Microeconomics

| | |
|---------|----------|
| a) True | b) False |
|---------|----------|
2. There is inverse relationship between supply and price

| | |
|---------|----------|
| a) True | b) False |
|---------|----------|
3. $E= 1$ is unitary elastic

| | |
|---------|----------|
| a) True | b) False |
|---------|----------|
4. In short run , variable cost doesn't exist

| | |
|---------|----------|
| a) True | b) False |
|---------|----------|
5. Average Cost is upward sloping initially.

| | |
|---------|----------|
| a) True | b) False |
|---------|----------|

Q. 3. Write Short notes on (Any Three) (15)

1. Business Economics - Scope
2. Law Of Demand
3. Microeconomics
4. Stages of Production
5. Revenue

Q. 4. Answer in detail (Any Two) (20)

1. Difference between micro and macro economics
2. Price elasticity of demand – types and explanation
3. Production Function – Three stages

Q. 5. Case study (Any One) (15)

1. The price of a Wagon R, car increased from Rs.200000/- to Rs. 220000/-. As a result, the demand of a car decreased from 100000 units to 95000 units. Explain the type of elasticity.
 - i) Calculate the Price elasticity of demand for car & comment
 - ii) State the reasons for elasticity / inelasticity of demand for Car in this case.

2.

| Quantity | Fixed Cost | Variable Cost | Total Cost | Average Cost | Marginal Cost |
|----------|------------|---------------|------------|--------------|---------------|
| 1 | 100 | 150 | | | |
| 2 | 100 | 200 | | | |
| 3 | 100 | 300 | | | |
| 4 | 100 | 450 | | | |
| 5 | 100 | 650 | | | |
| 6 | 100 | 900 | | | |
| 7 | 100 | 1200 | | | |

- i) Calculate the TC, AC and MC by using Formulas
- ii) Draw the Ac Curve .