

**TILAK MAHARASHTRA VIDYAPEETH, PUNE**  
**BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)**  
**EXAMINATION : DECEMBER - 2022**  
**SEMESTER - II**

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

**Date : 30/12/2022**

**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. Microeconomics is the study of...
  - a) Individual units
  - b) Aggregate Units
  - c) Total Units
  - d) National Factors
2. There is ... relation between price and supply
  - a) Inverse
  - b) Negative
  - c) Direct
  - d) bad
3. Price elasticity of luxury goods is...
  - a) Perfectly elastic
  - b) Perfectly inelastic
  - c) relatively elastic
  - d) relatively inelastic
4. Which of the following is fixed factor of production?
  - a) Labour
  - b) Capital
  - c) Land
  - d) Raw materials
5. The cost of production of second best good is sacrificed for production of certain good is known as.....
  - a) Explicit Cost
  - b) Implicit Cost
  - c) Opportunity Cost
  - d) Menu Cost

**Q. 2. State True / False (05)**

1. Study of aggregate includes National Income and Unemployment
  - a) True
  - b) False
2. There is inverse relationship between supply and price
  - a) True
  - b) False
3.  $E > 1$  is relatively elastic
  - a) True
  - b) False
4. In the long run production function, all factors are variable
  - a) True
  - b) False
5. Cost of additional unit of total output is known as average cost
  - a) True
  - b) False

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

1. Law of supply
2. Demand curve and Schedule
3. Increase and decrease in supply
4. Types of Goods
5. Economies of scale

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

1. Price Elasticity of demand – explain the types with diagrams
2. Explain all cost concepts with drawing diagrams
3. Difference between microeconomics and macroeconomics

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

1. Calculate the price elasticity of demand from following Demand schedule

Price (Rs)	Quantity demanded (Kg)
80	100
75	102
70	104
65	106
60	108
55	110

- i) Calculate the elasticity of the change in price from 80 to 55.
- ii) Explain the reason behind price elasticity

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 .

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