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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)
EXAMINATION : DECEMBER - 2023
SEMESTER - II
Sub. : Business Economics - I (BBA15- 215)

Date : 26/12/2023

Total Marks : 60

Time: 10.00am to 12.30pm

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

a) perfectly elastic demand	b) relatively elastic demand
c) perfectly inelastic demand	d) relatively inelastic demand
3. There is relation between income and demand

a) inverse	b) direct
c) negative	d) zero
4. 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
5. In profit maximization condition, marginal cost

a) is greater than average cost	b) is less than average cost
c) is equal to average cost	d) is negative

Q. 2. State True / False (05)

1. Increasing returns to scale is the third stage of production...

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

a) True	b) False
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3. In the long run production function, all factors are variable

a) True	b) False
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4. Average Cost is upward sloping initially.

a) True	b) False
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5. Cost of additional unit of total output is known as marginal cost

a) True	b) False
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Q. 3. Write Short notes on (Any Three) (15)

1. Revenue
2. Law Of Demand
3. Types of Goods
4. Stages of Production
5. Economies of scale

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

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

Q. 5. Case study (Compulsory) (15)

1. In the market, there is increase in price of tea powder. as an cascading effect applies, it is increasing the price of tea, which is affecting the demand from tea consumers. but suddenly there is large increase in the consumption of coffee by the consumers . there is no change in the price of coffee , but its demand curve in the market shifted towards the right. Please explain which type of elasticity is working here and also show the shift in demand of coffee without change in price.
