CB
60:40
(Batch 2022-23)

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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)
EXAMINATION: DECEMBER - 2023
SEMESTER– III

Sub.: Micro Economics (BBA22-312)

Date : 13/12/2023 **Total Marks : 60** **Time: 10.00 am To 12.30 pm**

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

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

1. Managerial economics is concerned with
   a)Government policies b) Business decision-making
   c) Social welfare d) International trade
2. What does the term 'ceteris paribus' mean in economics
   a)Holding other things constant b) All things considered
   c) In the long run d) Without any restrictions
3. According to the law of demand, when the price of a good increases, what happens to the quantity demanded?
   a)Increases b) Decreases
   c) Remains constant d) Fluctuates
4. In which market structure do a few large firms dominate the industry and have significant pricing power?
   a)Perfect competition b) Monopoly
   c) Oligopoly d) Monopolistic competition
5. In the short run, which cost is likely to remain constant regardless of the level of production?
   a)Variable cost b) Total cost
   c) Fixed cost d) Marginal cost

Q. 2. State True / False (05)

1. In a competitive market, price determination is solely influenced by demand.
   a) True b) False
2. Inelastic demand implies that consumers are very responsive to price changes.
   a) True b) False
3. Factors of production include land, labor, and capital.
   a) True b) False
4. Methods of measuring national income include the production approach, income approach, and expenditure approach.
   a) True b) False
5. During the recession phase of a trade cycle, employment and production typically increase.
   a) True b) False

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

1. Elasticity of Demand
2. Demand Schedule and Demand Curve
3. Perfect Competition
4. Trade Cycles
5. Monopolistic Competition

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

1. Nature , Scope and methodology of economics
2. Explain the process of Market Equilibrium by including demand and supply analysis in totality
3. Short Run Production Function and Law of Variable Proportions

Q. 5. Case study (15)

Explore a situation where a new technology significantly reduces the cost of production for a widely used good. Assess the impact on market equilibrium and price.