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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)
LOGISTICS AND SUPPLY CHAIN MANAGEMENT/
AVIATION MANAGEMENT
EXAMINATION : JUNE - 2024
SEMESTER - I
Sub.: Micro Economics (BBA23-AVLS 113)

Date : 06/06/2024
Total Marks : 60
Time: 2.00pm to 4.30pm

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

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

1. The theory of supply and demand is important because it helps to explain how prices are determined in a _____ economy.

a) Capitalist	b) free market
c) Command	d) Socialist
2. _____ economics is a macroeconomic theory of total spending in the economy and its effects on output, employment, and inflation.

a) Classic	b) Monetarian
c) Keynesian	d) Free
3. An economy's _____ is a comparison of the amount of money that is spent on imports of goods and services and the amount of money it earns on goods and services it exports

a) balance of trade	b) Exchange Rate
c) Inflation	d) Interest Rate
4. If the rate of inflation is outpacing the rate of income growth, the economy is _____.

a) Developing	b) in trouble
c) Developed	d) in war
5. _____ is the total value of all of the completed goods and services produced by an economy during a period of one year.

a) GNP	b) GDP
c) Inflation	d) Interest Rate

Q. 2. State True / False (05)

1. Supply and demand is a theory in microeconomics that offers an economic model for price determination

a) True	b) False
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2. Economics is generally regarded as a social science, which revolves around relationships between individuals and societies

a) True	b) False
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3. Microeconomics studies the behavior of individual people and businesses in order to understand why they make the economic decisions they do and how these decisions affect the larger economic system

a) True	b) False
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4. Monetarism is a macroeconomic theory stating that governments can foster economic stability by targeting the growth rate of the money supply

a) True	b) False
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5. Monetary policy refers to the use of government spending and tax policies to influence economic conditions

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

1. What do you understand by Micro Economics?
2. What do you understand by Elasticity of Demand?
3. Explain relationship between National Income and GDP
4. Differentiate between Casual Unemployment and Cyclical Unemployment
5. What are the consequences of Inflation

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

1. Explain any two theories of economics and which theory would you support?
2. Explain the law of Demand and Supply with example and suggest in which cases it does not apply?
3. What is the meaning and interdependence of factors like employment, interest rates, exchange rate and inflation?

Q. 5. Case study (15)

A country in the European region is a major exporter of Oil to India and has recently been attacked by a neighboring nation. While the country is economically strong and has strong defense there is impact on the war on its ability to supply on time. This nation is also a net importer of agricultural products from India and is expecting subsidies. The Indian Economy depends on infrastructure services and machinery from this nation.

Questions:

1. If you were given an opportunity what are the changes you would do in policy in this scenario?
 2. What impact do you foresee of this on your economy or any specific sectors?
 3. What can you do to prevent adverse impact?
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