CB Batch 2018-21

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EXAMINATION: MAY- 2024

SEMESTER - IV

Sub.: Business Economics – II (BBA15-414)

Date : 1	5/05/2024	Total Marks: 60	Time: 2.00pm to 4.30pm
Ins	Tructions: 1) All questions 2) Figures to th	are compulsory. e right indicate full marks.	
Q. 1.	Choose the most appropr	iate option.	(05)
1.	The barrier to entry in a mo	he barrier to entry in a monopoly is typically:	
	a) Low	b) High	
	c) Moderate	d) Non-ex	istent
2.	Central banks regulate the money supply to		
	a) Stabilize prices and cont		e unemployment.
2	c) Encourage hyperinflatio		ize profits for commercial banks
3.		Which type of cost increases as production levels rise?a) Fixed costb) Variable cost	
	c) Total cost	d) Averag	
		,	
4.	GNP excludes:	h) Only th	a value of experted and a
	a) Only government spendic) Only domestic income		e value of exported goods e earned by foreign residents
	within the country		
5.	When average revenue is constant, what happens to marginal revenue?		
	a) It is also constant.	b) It is neg	
	c) It is increasing	d) It is dec	creasing.
Q. 2.	State True / False		(05)
1.	Cryptocurrency is a physic	al form of money	
	a) True	b) False	
2.	The reserve requirement has no impact on the credit creation ability of commercial		
	banks. a) True	b) False	
3.	Marginal revenue can be negative in certain market structures.		
5.	a) True	b) False	
4.			
	a) True	b) False	· ·
5.	In a perfectly competitive i	narket, firms have significant	control over the market price
	a) True	b) False	
Q. 3.	Write Short notes on (An	v Three)	(15)
Q. 3. 1.	Characteristics of Monopol	•	(13)
1.	Total/Average/Marginal Re	-	
2.	GDP and GNP	· · · · · · · ·	
3. 4.	Types Of Cost		
5.	Central Bank- Functions		
5.	Central Bank- Functions		

Q. 4. Answer in detail (Any Two)

- 1. Explain Price leadership concept of oligopoly market with real life examples
- 2. Discuss the evolution of money from barter to cryptocurrency
- 3. Commercial banking and its functions with focusing on credit creation

Q. 5. Case study

A country introduces a new currency. Discuss how this currency would need to fulfill the functions of money to ensure a smooth transition and stability in economic transactions. **Questions** –

- 1) Please first explain what features must be possessed by the that new currency?
- 2) If you get the option of introducing digital currency, do you think it will have same impact as physical currency?
- 3) To introduce new currency, do you think demonetization would be better policy decision? if yes or no explain why?

(15)