



SN – 395

I Semester B.B.M. Examination, November/December 2014
(Repeater) (Prior to 2012-13)

Business Management
Paper – 1.3 : BUSINESS ECONOMICS

100–2011-12 Only

90–Prior to 2011-12

Time : 3 Hours

Max. Marks : 100/90

- Instructions :** 1) Answer should be written in **English** only.
2) Sections **A, B** and **C** to be answered by all repeaters (90 marks).
3) Section **D** to be answered by 2011-12 students only (100 marks).

SECTION – A

1. Answer **any ten** sub questions. Each sub question carries **two** marks. (10×2=20)
- What is Income Elasticity ?
 - What is Demand Forecasting ?
 - Give an imaginary demand schedule for a product of your choice.
 - State the difference between stock and supply.
 - What are durable goods ?
 - Distinguish between fixed and variable cost.
 - What do you mean by oligopoly ?
 - Expand GDP, NDP, GNP, NI.
 - What is a trade cycle ?
 - What do you mean by product differentiation ?
 - What is boom ?
 - What is demand curve ?

P.T.O.



SECTION – B

Answer **any five** questions. **Each** question carries **five** marks. (5×5=25)

2. What is law of demand ? Explain in brief various types of price elasticity of demand.
3. What is cost of production ? Explain the various determinants of cost of production.
4. State the difference between monopoly and oligopoly market.
5. The total fixed cost of ABC is Rs. 600. Prepare a cost schedule relating to T.C., TVC, AFC, AVC and AC by using the data given below :

Units of Output	1	2	3	4	5	6
MC	20	10	15	30	30	40

6. Explain the following GNP, NNP, NI, PI and DPI.
7. Explain the properties of indifference curve.
8. Distinguish between Economics and Business Economics. Explain the characteristics of business economics.

SECTION – C

Answer **any three** questions. **Each** question carries **fifteen** marks. (3×15=45)

9. Explain the methods of demand forecasting.
10. Discuss the features of monopolistic competition.
11. Distinguish between law of demand and law of supply. Explain their managerial uses.
12. What do you mean by price policy ? Discuss the general and other considerations involved in formulating pricing policy.
13. Describe the various concepts of N.I. estimates and trace the relationship with each other.

SECTION – D

Section 'D' is to be answered by 2011-12 students only. (10×1=10)

14. What is utility ? Explain the law of Diminishing marginal utility with the help of diagram.