

(i) Printed Pages : 2

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(ii) Questions : 9

Sub. Code :

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Exam. Code :

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Bachelor of Business Administration 1st Semester

(2123)

ESSENTIALS OF BUSINESS ECONOMICS-I

Paper—BBAS 106

Time Allowed : Three Hours]

[Maximum Marks : 80

Note : Attempt *four* short answer type questions from Section-A. Each question carries 5 marks. Attempt *two* questions each from Section-B and C respectively. Each question carries 15 marks.

SECTION—A

I. Attempt any **four** of the following :

- (i) Distinguish between extension in demand and increase in demand.
- (ii) Define the concept of Opportunity cost.
- (iii) What do you mean by Cross elasticity of demand ?
- (iv) Explain the Concept of Peak load pricing.
- (v) Define the term explicit cost and implicit cost.
- (vi) Distinguish between market price and normal price.

5×4=20

SECTION—B

- II. Explain the law of demand. Why does demand curve slope downwards to the right ? Is there any exception to it ? 15
- III. What is demand forecasting ? Explain the various methods of demand forecasting. 15
- IV. What is price elasticity of demand ? Explain its measurement by expenditure, point and revenue method. 15
- V. Explain the Law of Variable Proportion. What are the causes of its application ? 15

SECTION—C

- VI. Explain the traditional theory of costs both in short and in long run with the help of suitable diagrams. 15
- VII. Discuss the relationship between AR, MR and Elasticity of demand. 15
- VIII. What do you mean by price discrimination ? How price and output are determined under discriminating monopoly ? 15
- IX. Explain the main features of monopolistic competition. How price and output are determined under short and long period under it ? 15