Second Semester B.B.M. Degree Examination, April/May 2019

(CBCS Scheme)

Management

BUSINESS ECONOMICS

Time : 3 Hours]   *[Max. Marks : 90*

Instructions to Candidates : Answers should be written only in English.

SECTION – A

Answer any **TEN** sub-questions. Each question carries **2** marks.   **(10 × 2 = 20)**

1. (a) What is average revenue?

   (b) What are explicit costs?

   (c) State any two objectives of Business Economics.

   (d) Give the meaning of price elasticity of demand.

   (e) What is Monopoly market?

   (f) Expand : (i) NNP (ii) DPI

   (g) Give the meaning of oligopoly market.

   (h) Define the term "Business Cycle".

   (i) State any four determinants of demand.

   (j) Give the meaning of variable cost. Give an example.

   (k) Give the meaning of demand forecasting.

   (l) State any four social goals of business.

SECTION – B

Answer any **FIVE** questions from the following. Each question carries **5** marks :
                                              (5 × 5 = 25)

2. Explain the main features of monopolistic competition.

3. The annual sales of a XYZ Company are as follows :

Year :	2014	2015	2016	2017	2018
Sales (Rs.) (in laksh) :	50	65	87	80	90

   By the method of "Least Squares", find out the trend values for each of the five years and also estimate the annual sales for 2019.

4. Discuss the determinants of demand.

5. From the following data, calculate :
   (a) TFC   (b) TC
   (c) AFC   (d) AVC
   (e) MC

   if the fixed cost is Rs. 100

Output (in units) :	1	2	3	4	5	6
T.V.C. (Rs.)	300	500	630	720	950	1320

6. Explain the exceptions to the Law of demand.

7. Briefly explain the Laws of returns to scale.

8. State the difficulties involved in the measurement of national income.

SECTION – C

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

9. What is monopoly? Explain the main features of monopoly market.

10. Explain the various methods of demand forecasting.

11. Explain the various concepts of national income.

12. What is business cycle? Explain the various stages of business cycle.

13. Explain the different methods of pricing.

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