



SN -365

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I Semester B.B.M. Examination, Nov./Dec. 2013
(2011-12 Only) (Repeaters)
BUSINESS MANAGEMENT
Paper 1.3 : Business Economics

Time : 3 Hours

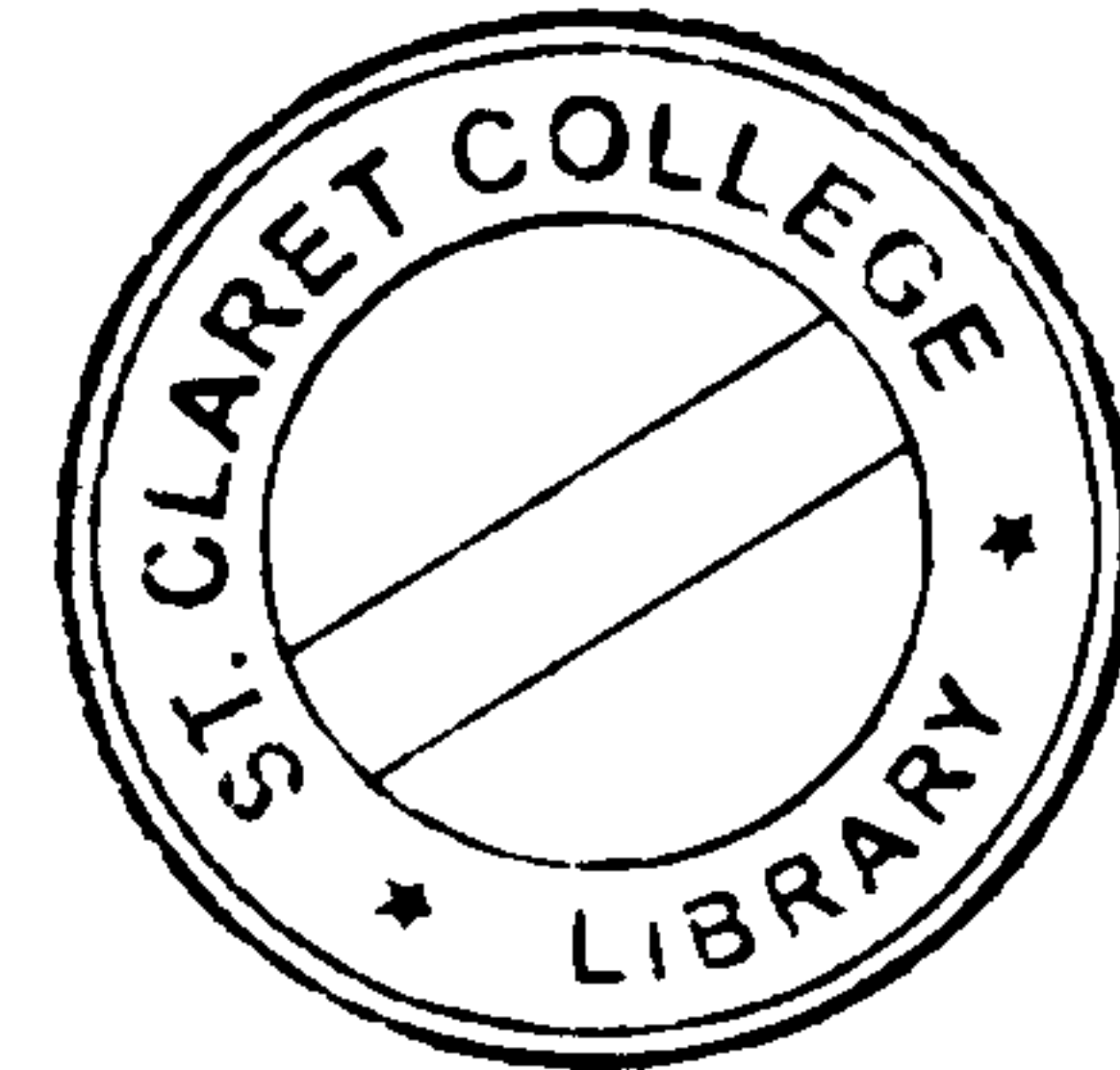
Max. Marks : 100

Instruction : Answers should be written only in **English**.

SECTION – A

Answer **any eight** sub questions. **Each** sub question carries **two** marks. **(8×2=16)**

1. a) Define Business Economics.
- b) What is a demand curve ?
- c) State the law of diminishing marginal utility.
- d) What is marginal cost ?
- e) What do you mean by production function ?
- f) What do you mean by GNP ?
- g) What is dual pricing ?
- h) What is oligopoly ?
- i) What is demand forecasting ?
- j) What is Veblen effect ?



SECTION – B

Answer **any three** questions. **Each** question carries **eight** marks. **(3×8=24)**

2. What is monopolistic competition ? Explain features of mono-polistic competition.
3. Briefly state the advantages and disadvantages of consumer survey method of demand forecasting.

P.T.O.



4. Explain briefly the various concepts of National Income.
5. Explain briefly the importance of Business Economics.
6. A small firm has a daily fixed cost of ₹ 20. The total variable cost of the successive quantities of output per day is as follows :

Total output (in Units)	TVC (₹)
1	30
2	56
3	75
4	80
5	105
6	132
7	182

Find TC, AFC, AVC, AC and MC of the firm for each level of output.

SECTION – C

Answer **any four** questions. **Each** question carries **fifteen** marks. **(4×15=60)**

7. What is Business Cycle ? Explain the various measures to control business cycles.
8. State the law of equi marginal utility and explain it with the help of diagram.
9. Explain the cost behaviour in the short run and long run.
10. Define elasticity of demand. Explain its types with diagrams.



11. Following are the figures of sales (in lakhs) of a Sugar factory. Find the trend values and estimate the sales for the year 2014.

Year	Sales
2006	80
2007	90
2008	92
2009	83
2010	94
2011	99
2012	92
