

**GANDHI INSTITUTE OF ENGINEERING AND TECHNOLOGY UNIVERSITY, ODISHA,  
GUNUPUR  
(GIET UNIVERSITY)**



B. B. A (Second Semester Regular/Supplementary) Examinations, May, 2025

**23BBAPC12001 – Business Economics**

Time: 3 hrs

Maximum: 60 Marks

(The figures in the right hand margin indicate marks.)

**PART – A**

**(2 x 10 = 20 Marks)**

Q.1. Answer **ALL** questions

	CO #	Blooms Level
a. Distinguish between the micro and macroeconomics.	CO1	K4
b. Justify the statement “present is more important than future”.	CO1	K5
c. List the managerial theories of firms.	CO2	K4
d. Explain the expansion and contraction of supply.	CO2	K2
e. Distinguish Isocost Vs Isoquant.	CO3	K4
f. Identify relationship between AR and MR	CO4	K3
g. What is contribution margin?	CO4	K1
h. Distinguish between economic and accounting profit.	CO5	K4
i. List the benefits of perfect competition.	CO5	K4
j. Is risk theory of profit applicable in business decision? Appraise it.	CO6	K5

**PART – B**

**(8 x 5 = 40 Marks)**

Answer **all** the questions

	Marks	CO #	Blooms Level
2. a. Identify the key areas of relationships other than economics. Develop the strategic relationship for an appropriate business decision, (OR)	8	CO1	K3
b. Examine the different role of managerial economist in general and specific and simplify it through the factors affecting the business.	8	CO1	K4
3.a. Determine the price elasticity of demand of a product where Q1=5000 units; Q2=7500 units; P1=Rs 500; P2=Rs 450 and identify the nature and significance of elasticity. (OR)	8	CO2	K5
b. Explain the various methods of measurement techniques of price elasticity and justify the nature of elasticity with appropriate examples.	8	CO2	K5
4.a. Distinguish between the production function with one variable input and two variable inputs and Justify the resultant output with suitable example. (OR)	8	CO3	K4
b. Illustrate the laws of return to scale and experiment it through:	8	CO3	K3

Stages	Inputs	Outputs
a to b	100%	200%
b to c	100%	100%
c to d	100%	33.33%

- 5.a. Calculate break-even point and net sales value at this point from the following information: 8 CO4 K5

Direct material cost per unit	Rs. 10
Direct labour cost per unit	Rs. 5
Fixed overhead	Rs 50000
Variable overheads @60% on direct labour	
Selling price	Rs 25
Trade discount	4%

If sales are 10% and 25% above the breakeven volume, determine the net profits.

(OR)

- b. Analyse the cost output relationship in short run with graphical representation. 4 CO4 K3
- c. Distinguish between internal and external economics of scale with appropriate example. 4 CO5 K4
- 6.a. Define monopolistic competition. Explain the firm's equilibrium under monopolistic competition. 8 CO5 K5

(OR)

- b. Develop the different pricing strategies for a successful business firm and evaluate its pros and cons for each strategy. 8 CO6 K3

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