

--	--	--	--	--	--	--	--	--	--



GIET UNIVERSITY, GUNUPUR – 765022

B. B. A (Second Semester) Examinations, August – 2021

20BBA 202 - Business Economics

Time: 2 hrs

Maximum: 50 Marks

The figures in the right hand margin indicate marks.

PART – A: (Multiple Choice Questions)

(1 x 10 =10 Marks)

Q. 1 Answer ALL questions

- a. Who is called as the father of economics'?
- (i) Adam Smith (ii) Eugene L Grant
(iii) John Maynard Keynes (iv) P Samuelsson
- b. Macroeconomics is a study of economics that deals with which 4 major factors:
- (i) households, firms, demand and supply (ii) firms, government, free-market, and regulations
(iii) households, firms, government and external sector (iv) none of the above
- c. If demand is given by $D = 1000 - P$, and the supply equation is given by $S = 100 + 4P$, price should be:
- (i) $P = 160$ (ii) $P = 160$
(iii) $P = 180$ (iv) $P = 180$
- d. What are Capital goods?
- (i) Goods used for consumption in the production process (ii) Goods and services that are consumed fully when purchased by the consumers
(iii) Goods such as tools, machinery, etc which are used to create final consumer goods (iv) None of the above
- e. The law of demand states that
- (i) price and quantity demanded are inversely related (ii) price and quantity demanded are directly related
(iii) the larger the number of buyers in a market, the lower will be product price (iv) consumers will buy more of a given product at high prices than they will at low prices
- f. The long run is a period of time in which
- (i) the quantities of all inputs can be varied. (ii) the firm is able to maximise total profit
(iii) the firm may want to build a bigger plant, but cannot do so (iv) economic efficiency is achieved
- g. Revenue of a business means:
- (i) All credit sales (ii) All cash sales and credit sales
(iii) All cash sales (iv) All purchases
- h. Monopolistic market is mostly characterized by which of the following:
- (i) More buyers and more sellers are involved in trade of identical goods, (ii) More buyers and lesser sellers are involved in trade of identical goods,
(iii) More buyers and more sellers are involved in trade of non-identical goods, (iv) Lesser buyers and more sellers are involved in trade of not identical goods
- i. P/V ratio means the ratio of
- (i) Contribution to total cost (ii) Fixed cost to total sale

- (iii)Contribution to total sale
 j. Breakeven point means:
 (i)A point Where profit is more
 (ii)A point Where profit is less
 (iii)A point Where loss is more
 (iv)Fixed cost to total cost
 (iv)A point Where no loss or no profit

PART – B: (Short Answer Questions) (2 x 5=10 Marks)

Q.2. Answer ALL questions

- Write down the definition of economics?
- Describe the Elasticity of supply?
- What do you mean by monopoly market?
- Explain the characteristics of perfect competition market?
- Explain about negative return to scale?

PART – C: (Long Answer Questions) (6 x 5 = 30 Marks)

Answer ANY FIVE questions

Marks

- Write down the basic problems of economics? (6)
- Explain about the characteristics of human wants? (6)
- What is Law of Demand Explain with schedule and diagram? (6)
- What is meaning of Supply? Explain the elasticity of supply and its types? (6)
- Explain about law of variable proportion with schedule and diagram (6)
- The following particulars are relating to a product of a company: Selling Price per unit Rs.50, Variable Cost per unit Rs.30/- Fixed Cost Rs. 30,000 Find out the following: (6)
 - P/V Ratio
 - BEP sales
 - Sales required to earn a profit of Rs.10,000
- From the following information find out the fixed cost by using Least Square Method: (6)

Month	Production in units	Semi variable cost in Rs
February	80	170
March	150	310
- Write down about the long run average cost curve and explain it with diagram?

--- End of Paper ---