



Register Number:

DATE: 23-10-2019

**ST. JOSEPH'S COLLEGE (AUTONOMOUS), BENGALURU-27**  
**BBA SF - I SEMESTER**  
**SEMESTER EXAMINATION- OCTOBER 2019**  
**BBA SF 1219 - BUSINESS ECONOMICS**

**Time: 2 ½ Hours**

**Max Marks: 70**

**Section-A**

I. Answer any **FIVE** questions. Each question carries **2 marks**. (5x2=10)

1. Define Business Economics
2. How is income an important determinant of demand?
3. What is Cardinal and ordinal approach?
4. Give the meaning demand forecasting?
5. What is an indifference curve?
6. What are Iso-quants and Iso-costs?

**Section- B**

II. Answer any **THREE** questions. Each question carries **5 marks**. (3x5=15)

7. Explain the scope of business economics
8. What is law of supply? Explain the law with an imaginary schedule and a graph.
9. Explain the economies and diseconomies of scale.
10. Differentiate between perfect competition and monopoly

**Section- C**

III. Answer any **TWO** questions. Each question carries **15 marks**. (2x15=30)

11. "Some situations under which there may be direct relationship between price and quantity demanded of a commodity". What are those situations throw light and explain them.
12. Explain the short and long run tools of estimating future demand of a prospective business firm.
13. "The production function is a highly abstract concept that has been developed to deal with the technological aspects of the theory of production." Discuss and explain the law of variable proportions.

## Section – D

IV. Answer the following **COMPULSORY** question carrying **15 marks**. (1x15=15)

14. A) choose the right answer: **(5marks)**

**i. In a perfectly competitive industry, there are**

- a. One firm that sets the price for the others to follow.
- b. Many sellers, but there might be only one or two buyers.
- c. Many buyers, but there might be only one or two sellers.
- d. Many sellers and many buyers

**ii. Which of the following is not true in Indifference curves?**

- a. They are convex to the origin
- b. They exhibit higher levels of satisfaction as they move higher
- c. They could sometimes intersect
- d. They are downward sloping

**iii. Reasons for change in Demand (Increase or Decrease in Demand)**

- a. Change in demographics
- b. Change in trends
- c. Change in purchasing power
- d. All of the above



**iv. Slope of a demand curve is**

- a. Positive
- b. Negative
- c. Zero
- d. Any of the above

**v. The Supply curve slopes \_\_\_ from \_\_\_ to \_\_\_**

- a. Upwards ,right to left
- b. Downwards, right to left
- c. Upwards, left to right
- d. Downwards, left to right

**B) Mr. Don is a retailer who has a digital watch showroom in a metropolitan city.**

In order to increase his sales he reduces the price of the digital watch by 10%.

As a result of 10% fall in price, its demand rose quite drastically to 120 units from

100 units. Help Mr. Don to find out his elasticity and comment. **(5 marks)**

**C) Explain the types of Cost. (5 marks)**