



Register Number:

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**ST. JOSEPH'S COLLEGE ( AUTONOMOUS), BANGALORE-27**  
**B.Com IFA – I SEMESTER**  
**SEMESTER EXAMINATION: OCTOBER 2019**  
**BCIFA 1319- Business Economics**

**Hours: 2 1/2hrs**

**Total Marks: 70**

**This paper contains two printed sheets and four parts**

**Section A**

I. Answer any five questions. Each question carries two marks (5x2=10)

1. Define Managerial Economics.
2. What is marginal utility?
3. Give the meaning of Iso-quants.
4. What is law of supply?
5. What do you mean by price discrimination?
6. How is macro economics different from micro economics?

**Section B**

II. Answer any three questions. Each question carries five marks (3x5=15)

7. Discuss the role of Managerial economist in business.
8. Explain the income and cross elasticity of demand.
9. Explain the different types of degrees of price elasticity of demand.
10. Write short notes on National income.

**Section C**

III. Answer any two questions. Each question carries fifteen marks (2x15=30)

11. Bring out the relationship between economics and other disciplines.
12. Explain the law of demand. Discuss the exceptions.
13. As a rational producer, one will choose the stage of diminishing returns.”  
Justify the statement with the help of Law of Variable Proportions.

## Section D

IV. Answer the question given below the question carries fifteen marks (compulsory)  
(1x15=15)

### 14. Case study

Maggi noodle is a brand of instant noodles manufactured by Nestle. The brand is popular in Australia, India, SouthAfrica, Brazil, Nepal, NewZealand, Brunei, Malaysia, Singapore, Sri Lanka, Bangladesh, Pakistan, and Philippines. Maggi noodles are part of the Maggi family, a Nestle brand of instant soups, stocks, and noodles. Maggi noodles recently introduced a new variety of its noodles, to cater for the health conscious like 'No MSG', 'Less Salt', and 'No Trans fat'. Whole-wheat flour based noodle variation marketed by the name "Vegetable Atta Noodles" has been introduced in India (Atta flour is used in preparing most forms of wheat based breads in India) and caters to health conscious buyers wary of the refined flour used in the regular Maggi noodles. This move helps the brand in India as suburban mothers, who feed the noodles to children as an after school snack, are the primary customers of the brand. Recently, a line of rice noodles and whole wheat with pulses, carrots, beans, and onions has also been introduced in India. In fact, "Maggi" has become a well-known brand for instant noodles in India and Malaysia. Over the years, Maggi noodles have become a popular snack food product in India. Maggi noodles have availability even in the remotest locations of India like Kedarnath, Ladakh, Amarnath. These are places where there is no proper supply of even electricity but Maggi is still available for the foodies appetite. The Economic Times has applauded maggi with the following quote-“What Xerox is to photocopier, Colgate to toothpaste, Maggi is to Noodles in India. Fast to Cook, Good to Eat”.

- a. Explain the quantitative and qualitative methods of forecasting demand in a business. (10m)
- b. How should Maggi forecast for its new vegetable atta noodles?