

Total No. of Questions : 3]

SEAT No. :

PA-1894

[Total No. of Pages : 2

[5953]-104

**B.B.A.**

**104 : BUSINESS ECONOMICS-MICRO  
(2019 Pattern) (Semester - I)**

*Time : 3 Hours]*

*[Max. Marks : 70*

*Instructions to the candidates:*

- 1) *All the questions are compulsory.*
- 2) *Figures to the right indicate full marks.*

**Q1) A) Fill in the blanks (Attempt Any 5 out of 6) : [5]**

- i) The term "Micro" is derived from the \_\_\_\_\_ word.
  - a) Latin
  - b) Greek
  - c) English
  - d) Roman
- ii) In economics the central problem is \_\_\_\_\_.
  - a) Money
  - b) Scarcity
  - c) Allocation
  - d) Production
- iii) Micro Economic Analysis adopts \_\_\_\_\_ method.
  - a) Lumping
  - b) Aggregative
  - c) Slicing
  - d) Inclusive
- iv) Equilibrium price is determined when \_\_\_\_\_.
  - a) Demand > Supply
  - b) Supply > Demand
  - c) Supply = Demand
  - d) Demand ≠ Supply
- v) \_\_\_\_\_ is associated with the Oligopoly Market.
  - a) Homogeneous goods
  - b) Free Entry and Exit
  - c) Product Differentiation
  - d) Price Rigidity
- vi) Fixed Costs are \_\_\_\_\_.
  - a) Avoidable in the short run
  - b) Sunk cost in the short run
  - c) Sunk cost in the long run
  - d) Unavoidable in the long run

**P.T.O.**

- B) Match the following : [5]
- |                         |                         |
|-------------------------|-------------------------|
| i) Perfect Competition  | a) Two Firm Oligopoly   |
| ii) ATC =               | b) Price Taker          |
| iii) AFC =              | c) AFC + AVC            |
| iv) DUOPOLY =           | d) TFC/Production       |
| v) Two Sectoral Economy | e) Households and Firms |
- C) True or False (Attempt any 4 out of 5) : [4]
- i) Average cost is defined as total cost divided by total output.
  - ii) Flow of goods and services in barter economy is called circular flow.
  - iii) Economic problem arise because of abundant resources.
  - iv) A firm will earn normal profit when Marginal Cost = Marginal Revenue.
  - v) Market will be deficit product when Supply = Demand.

**Q2) Short Answer (Attempt Any 3 out of 4) : [24]**

- a) Explain the meaning, scope and importance of Business Economics.
- b) State the concept of cost. Explain the concept of cost.
- c) Explain the law of supply and determinants of supply.
- d) Explain the features of Monopolistic Competition.

**Q3) Long Answer (Attempt any 2 out of 4) : [32]**

- a) Explain the various forms of Economy. Explain the central problems of Economy.
- b) What is meant by demand? Explain in detail the types of Elasticity of Demand.
- c) Explain the different types of Revenue and Explain the Interrelationship between Marginal, total and average revenue.
- d) State the characteristics of monopoly and explain the output and price determination in Monopoly.

