

Unit IV

8. Explain and illustrate the determination of equilibrium price and output under perfect competition in the short run. How does a firm's long run equilibrium differ from its short run equilibrium ? **15**
9. What is meant by product differentiation ? What methods are generally adopted by the firms under monopolistic competition for differentiation on their products from those of the rival firm ? How does product differentiation help firms under monopolistic competition ? **15**

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Roll No.

A-503

B.B.A. EXAMINATION, Dec. 2017

(First Semester)

(Main Only)

(BBA)

BBA-105B/MBAD-105

**MICRO ECONOMICS FOR BUSINESS
DECISIONS**

Time : 3 Hours]

[Maximum Marks : 75

Before answering the question-paper candidates should ensure that they have been supplied to correct and complete question-paper. No complaint, in this regard, will be entertained after the examination.

Note : Q. No. 1 is compulsory. Attempt *one* question from each Unit. All questions carry equal marks.

1. Short answer type questions :

- (a) Central Problems of economy
- (b) Maximization of firm's growth rate
- (c) Assumption of law of demand
- (d) Income elasticity of demand
- (e) Variable cost
- (f) Factors of production
- (g) Price discrimination
- (h) Monopoly Competition.

2+2+2+2+2+2+1+2

Unit I

- 2.** Differentiate Micro and Macro-economics. Explain the scope of micro economics in business decision making. **15**
- 3.** Profit maximization remains the most important objective business firm in spite of multiplicity of alternative business objectives suggested by the modern economists. Comment. **15**

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Unit II

- 4.** What is individual demand and market demand ? What is the importance of elasticity of demand for a Manager, Finance Minister and for an economist ? Explain. **15**
- 5.** Explain the qualitative and quantitative methods of demand forecasting for FMCG sector in Indian Economy. **15**

Unit III

- 6.** What is meant by production function ? Distinguish between law of returns to variable proportions law of returns to scale. Also highlights the types of internal and external economies. **15**
- 7.** Explain the following : **4+7+4**
- (a) Opportunity cost
 - (b) Relationship between MC and AC
 - (c) Explicit and Implicit cost.

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P.T.O.