

**BACHELOR OF BUSINESS ADMINISTRATION
FIRST SEMESTER
BUSINESS ECONOMICS
BBA – 103**

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 1.30 hrs.

Full Marks: 35

Time: 15 mins.

(Objective)

Marks: 10

Choose the correct answer from the following:

1 × 10 = 10

- Who is the father of Economics?
 - Alfred Marshall
 - Lionel Robbins
 - Adam Smith
 - Samuelson
- The relationship between price and demand is _____.
 - Direct
 - Negative
 - Positive
 - None of these
- Perfectly elastic demand curve is a _____ curve.
 - U shaped
 - Horizontal
 - L shaped
 - Vertical
- Economics is a _____.
 - Positive science
 - None
 - Normative science
 - Both
- Few sellers is the feature of
 - Monopoly
 - Perfect competition
 - Oligopoly
 - Monopolistic competition
- The shape of TFC curve is
 - Horizontal line
 - U shaped
 - Downward sloping
 - Upward sloping
- The law which studies the direct relationship between price and quantity supplied of a commodity is
 - Law of demand
 - Law of supply
 - Law of variable proportion
 - None of the above
- Market which has two firms is known as
 - Oligopoly
 - Duopoly
 - Monopoly
 - Perfect competition

9. A Firm's profitability depends much on its _____ of production.
- a. Price
 - b. Cost
 - c. Charge
 - d. All the above
10. In perfect competition a firm increases profit when _____ exceeds _____.
- a. TC, TR
 - b. AR, AC
 - c. MC, MR
 - d. TR, TFC

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(Descriptive)

Time : 1 Hr. 15 Mins.

Marks : 25

[Answer question no.1 & any two (2) from the rest]

1. Explain the Law of demand with the help of a graph. 5
2. What is cost? Explain various types of cost with the help of a graph. 2+8=10
3. What is Business Economics? Discuss the scope of Business Economics. 3+7=10
4. a) Highlight the features of the Monopoly Market and Perfect Competition Market. 6+4=10
b) What is Law of supply and Elasticity of Demand?
5. In Germany in 2009 there was considerable debate about the extent to which the government should be intervening in the economy. For example, its citizens were worried about the future of Opel, a German car brand that was part of the ailing General Motors. Some wanted the government to make sure jobs were saved no matter what. Others, however, were more hesitant and worried about becoming the government becoming too interventionist. Traditionally since the Second World War the German government has seen itself as a referee in market issues and has avoided trying to control parts of the economy. It would regulate anti-competitive behaviour, for example, but not try to run many industries. However in the recession of 2009 when the economy was shrinking the government was forced to spend more to stimulate demand and had to intervene heavily to save the banking sector from collapse. The government also had to offer aid to businesses to keep them alive. 2.5×4=10

Questions

1. What are the possible benefits of a government intervening in an economy?
2. What are the arguments against government intervention in an economy?
3. What prompted greater intervention by the German government in 2009?
4. What would determine whether the German continued to intervene on this scale in the future?

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