

2019
BBA
[HONOURS]
(Business Economics)
Paper : BBA-1.3

Full Marks : 80

Time : 4 Hours

The figures in the right-hand margin indicate marks.

*Candidates are required to give their answers in
 their own words as far as practicable.*

Answer **Q.No.1** and any **five** from the rest.

1. Answer any **ten** questions of the following:

2×10=20

- a) Distinguish between change in demand and change in quantity demanded.
- b) State two important features of business economics.
- c) State the law of demand.
- d) What do you mean by demand forecasting?
- e) State the relation between average product and marginal product.

- f) What are the properties of an isoquant?
- g) Distinguish between fixed cost and variable cost.
- h) What do you mean by monopolistic competition?
- i) What is bank rate?
- j) Mention two features of perfect competition.
- k) What is break-even point of a firm?
- l) What is Public Debt?
- m) What is quantity theory of money?
- n) Mention any two functions of a central bank.
- o) State the functions of money.

2. What is the survey method of demand forecasting? Discuss survey method of demand forecasting and point out merits and demerits of it. 2+10=12
3. Briefly explain the nature and scope of Business Economics. 6+6=12
4. What is a commercial bank? Explain the process of credit creation by the commercial banks. 2+10=12
5. State the law of demand. Explain why the demand curve is downward sloping. Mention the exceptions to this law of demand. 2+6+4=12

[Turn over]

6. What are the features of a perfectly competitive market? Show how price is determined in a monopoly market. Does the firm always earn super normal profit in the long run in a perfectly competitive market? $2+8+2=12$

7. What do you mean by public revenue? Explain different sources of public revenue. $2+10=12$

8. a) Explain in brief the factors that determine the elasticity of demand.

b) Establish and explain the relation between average revenue (AR), Marginal Revenue (MR) and price elasticity of demand.

$$6+6=12$$

9. What is National Income? Explain the concept of Circular Flow of Income. How is the flow balanced? Write the condition. $2+10=12$

10. Write short notes on any **two**: $6 \times 2 = 12$

a) Price Discrimination

b) Scope of Business Economics

c) Cobb-Douglas Production Function

d) Budget Deficit