U.S.N ☐☐☐☐☐☐☐☐☐

P.E.S. College of Engineering, Mandya - 571 401
(An Autonomous Institution affiliated to VTU, Belgaum)
First Semester, Master of Business Administration (M.B.A)
Make - up Examination; Feb -2016
Business Economics

Time: 3 hrs   *Max. Marks: 100*

Note: Answer any **FOUR** questions from **PART - A** and **PART - B** (Case study) is compulsory.

PART - A

1 a. Define Business Economics. Discuss the importance in present day environment.   10

   b. Explain the factors affecting the demand of a particular product.   10

OR

2 a. Explain three phases of "law of variable proportions".   10

   b. What are ISO-quant curve? Explain how indifference curve technique and ISO-quant technique are analogues.   10

3 a. Critically Evaluate the Monopoly Competition and explain Price? Discrimination under monopoly market.   10

   b. What do you mean by BEA? Discuss the various application of BEA.   10

OR

4 a. Explain the Product and Expenditure method of computing National Income. On what basis do they do they give identical results.   10

   b. Explain various type of Inflation.   10

5 a. What is demand forecasting? Which are the important methods of demand forecasting?   10

   b. Briefly explain the phases of Business cycle.   10

OR

6 a. Define demand elasticity. What are its types?   10

   b. Distinguish between perfect competition and monopoly.   10

7 a. What are the different variants of Price elasticity?   10

   b. What is law of supply? Show graphically the market equilibrium price and quantities with the help of demand and supply curve.   10

OR

8 a. Write a short note on RBI function and objectives.   10

   b. Explain production behaviour in short run.   10

PART - B

9. **Case Study:**

   An ice cream parlour has estimated the demands for ice cream and accordingly its function to be Q = 120 – 20 P. Where Q represents the quantity of ice cream sold and 'P' the rupee price of the cream.

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   Derive the demand schedule for ice cream and plot it. Also find the point price elasticity of demand at each rupee price from P = `6 to P = ` 0.

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