

**B.B.A. Semester-III (Honours) Examination, 2022-23****BACHELOR OF BUSINESS ADMINISTRATION****Course ID : 33213****Course Code : BBA-CC-07****Course Title : Business Economics**

Time : 3 Hours

Full Marks : 80

*The figures in the right-hand margin indicate marks.**Candidates are required to give their answers in their own words as far as practicable.***GROUP–A**1. Answer **all** the questions from the following:  $1 \times 10 = 10$ 

a) Which of the following statements is true—

- i) Microeconomics is concerned chiefly with the economy as a whole.
- ii) Macroeconomics is concerned chiefly with individual markets.
- iii) Governments have no influence over market prices.
- iv) When economists study the price in a market, their chief aims are to understand why the price is what it is and why it may change?
- v) None of these.

b) Suppose there is excess supply in a market and the price decreases. Which of the following combinations of events will occur?

- i) There will be a fall in quantity supplied and a rise in quantity demanded.
- ii) There will be a fall in quantity supplied and a rise in demand.
- iii) There will be a fall in supply and a rise in quantity demanded.
- iv) There will be a fall in supply and a rise in demand.
- v) None of these.

c) Which of the following statements is false?

- i) Price elasticity of demand is negative for most products.
- ii) Price elasticity of supply is positive for most products.
- iii) Income elasticity of demand is positive for normal goods.
- iv) Cross elasticity of demand is positive between complements.
- v) None of these.

### GROUP-D

4. Answer any **three** from the following:  $10 \times 3 = 30$
- a) Explain why demand curve is downward sloping and supply curve is upward rising.
  - b) Explain the method of forecasting demand for new products.
  - c) Briefly describe the liquidity preference theory.
  - d) Explain various types of price elasticity of demand with the help of diagrams.
  - e) Why do the short run AVC and MC curves will be U-shaped? State the valid reason behind that.
  - f) How does the producer attain equilibrium under the iso-quant approach?
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