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Total Pages : 3

**213106**

**December, 2019**

**BBA (General) 1st Sem.**

**Micro Economics for Business Decision (BBA/Gen/106)**

Time : 3 Hours]

[Max. Marks : 75

*Note : Attempt five questions in all selecting four questions from Part-B in addition to compulsory Part-A.*

**PART - A**

1. (a) Discuss the nature of micro economics. (1.5)
- (b) Explain consumer's equilibrium in case of a single commodity. (1.5)
- (c) What are the causes of emergence of an oligopoly? (1.5)
- (d) Discuss the factors affecting the optimum size of the firm. (1.5)
- (e) Explain elasticity of supply. (1.5)
- (f) What do you mean by non-price competition? (1.5)
- (g) Explain the term quasi rent. (1.5)

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- (h) What is dumping? (1.5)
- (i) Discuss the modern theory of distribution. (1.5)
- (j) What are the costs included in implicit costs? (1.5)

## **PART - B**

2. Define price elasticity, income elasticity and cross elasticity of demand. Explain the various methods of measuring price elasticity. (15)
3. (a) Distinguish between internal and external economies of scale. (5)
- (b) What are indifference curve? What are their properties? How is indifference curve analysis superior to utility analysis? Discuss. (10)
4. What is meant by returns to scale? Explain the law of diminishing returns to scale. Why is it more widely applicable to agriculture? Discuss. (15)
5. (a) What are the various factors of production? Explain. (5)
- (b) What is Kinked Demand Curve? How does it explain price rigidity? Discuss. (10)

6. "Perfect competition is a myth but monopolistic competition is a reality". Explain the statement. (15)
7. What do you mean by interest? What are the various alternative theories of interest? Discuss. (15)
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