BRAINWARE UNIVERSITY
Course - MBA
Business Economics   (MBA 101)
(Semester – 1)

Time allotted: 3 Hours   Full Marks : 70

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A
(Multiple Choice Questions)

Choose the correct answer from the given alternatives of the following: 1x10=10

1) In case of excess demand in the market the price regulates itself to restore equilibrium.
a) Price rises   b) price falls   c) price remains constant   d) none of these

2) In case of excess supply in the market the price regulates itself to restore equilibrium.
a) Price rises   b) price falls   c) price remains constant   d) none of these.

3) Monopsony is a form of market characterized by
a) Single seller   b) single buyer   c) large number of buyers and sellers

4) Coco Cola Pepsi operating in the market is an example of
   a) Cooperative Duopoly   b) Non Cooperative Duopoly
   c) Monopoly   d) Monopsony

5) Public Sector Goods shows
  a) Market failure   b) externalities in production   c) None of these.

6) A variable cost is a cost that
a. varies per unit at every level of activity
b. occurs at various times during the year
c. varies in total in proportion to changes in the level of activity
d. may not be incurred, depending on management's discretion

7) The least cost combination of factors or producer's equilibrium is now explained with the help of ....curves and iso costs.
a. iso product
b. iso process
c. Both(a) and (b)
d. None of these

8) MRTS stands for........
a. Marginal rate of technical structure
b. Marginal rate of technical substitution
c. Both(a) and (b)
d. None of these

9) Isoquants that are downward sloping straight lines imply that the inputs
a. are perfect substitutes.
b. are imperfect substitutes.
c. cannot be used together.
d. must be used together in a certain proportion.

10) A 50 percent increase in price that results in a 90 percent decrease in the quantity demanded indicates that demand is elastic in this price range.
(a) True
(b) False

Group – B
(Short Answer Type Question)   3 x 5 = 15
Answer any three questions

1) What are the factors that affect the demand of a commodity?

2) State the characteristics of perfect and imperfect market.

3) Describe the global supply chain network.

4) Derive the consumption function if the saving function is S = -60 + .39Y.Draw with the help of a diagram the consumption and savings function.

5) If the Price of a commodity is Rs 34 per unit, its Demand is 2000 units, but is increased to 4000 units for decrease in Price to Rs 28. Calculate Price Elasticity of Demand of the commodity.

6) How does the concept of Advertisement Elasticity of Demand help a Marketing Manager in Decision making Process?

7) Explain KINKED DEMAND CURVE.

Group – C
(Long Answer Type Question)   **3 x 15 = 45**
Answer any three questions

1) Why is Mumbai known as a Commercial Capital? Describe the Coding System of Dabbawallahs.

2) Market acts as a self-regulatory mechanism. Any imperfection in the market is automatically corrected by the forces of demand and supply. In this context explain the excess demand and excess supply gap in the market.

3) Describe the Law of Diminishing Returns to Scale.

4) Describe the characteristics of Public Sector and show that public sector shows externalities in Production.

5) Explain the impact of current Demonetization policy of Central Government on Consumer's surplus and Producer's surplus in market.

6) Explain how a Product would reach equilibrium position with the help of Iso-Quant and Iso-Cost Curve.

7) Explain different Returns to scale of operation with the help of diagrams.