

MAHARAJA AGRASEN INSTITUTE OF MANAGEMENT STUDIES
BBA AND BBA(B&I): 1ST SEMESTER
FIRST INTERNALS – OCTOBER 2011
BUSINESS ECONOMICS I

Time: 2 hrs

MM: 40

Note: Attempt all Questions as per internal choices given.

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- Q1. Explain briefly: (any four) (2.5*4)
- (a) Use of opportunity cost in business decision making
 - (b) Marginal rate of substitution
 - (c) Difference between Micro and Macro Economics
 - (d) Define Advertising elasticity of demand.
 - (e) Conditions for consumer equilibrium under ordinal utility approach.

- Q2. "Business economics integrates economic theory and business practice to facilitate decision making by business firms". Explain. (10)
- OR**

Distinguish between Economics and Business Economics. Discuss the role of Marginalism and Incrementalism in decision making. (5+5)

- Q3. What is price elasticity of demand? Explain factors affecting elasticity of demand. (4+6)
- OR**

What is the law of diminishing marginal utility? Explain consumer's equilibrium by cardinal utility approach. (5+5)

- Q4. What is an indifference curve. Explain the properties in detail. (4+6)
- OR**

Explain the importance of demand forecasting. Discuss the various methods of demand forecasting. (5+5)

