

# SVKM's NMIMS

## School of Distance Learning

Programme: DBM/PGDBM/DMM/PGDMM/PGDFM/DHRM/PGDHRM/DITM/PGDITM  
/DSCM/PGDSCM/DBFM/PGDBFM

Academic Year: 2011-2012

Semester I

Subject: Business Economics

Course: New

Marks: 70

Date: 28.12.2011

Time: 11.00 a.m to 2.00 p.m

**Instructions:** Candidates should read carefully the instructions printed on the question paper and on the cover of the answer book, which is provided for their use.

**NB :** i) Answer to each question to be started on fresh page.

ii) Figure in brackets indicate full marks

**Q1. Attempt (Any TWO)**

**(10 Marks)**

- What is Business Economics and describe the major problems of the economy?
- What is a Production Isoquant and state its characteristics?
- What is Supply and Price elasticity of supply? Calculate the Price elasticity of supply for the following:  
An increase in the price of sugar from Rs. 2 to Rs. 3 per kg leads to increase in quantity supplied from 4000 kgs to 6000 kgs.
- What is demand? Compare the shift in demand with movement along the demand curve with the help of diagram.

**Q2. Write short notes (Any TWO)**

**(10 Marks)**

- Scope of Economics.
- Determinants of demand.
- Law of Diminishing Marginal Product with the help of a table and a diagram.
- Economies of Scope.
- Definition and determinants of market power.

**Q3. Attempt (Any THREE)**

**(30 Marks)**

- What is demand forecasting? Also, discuss the different methods used to estimate demand.
- Explain the meaning and features of a perfect competition? Also, derive the profit maximization in long and short run with the help of a diagram?
- What is Price Discrimination and discuss the different cases of Price Discrimination?
- Explain the equilibrium of a Firm under Monopolistic Competition?
- What are different forms of price regulation?

**Q4. Attempt (Any TWO)**

**(20 Marks)**

- Explain the different types of elasticity of demand with suitable examples to substantiate your answer?
- What do you mean by economies and diseconomies of a scale? Explain increasing, decreasing and constant returns to scale?
- What do you understand by oligopoly? Discuss the "Kink<sup>ed</sup> Demand Curve Model".
- Discuss various reasons behind the market failures?