

**SVKM's NMIMS**  
**NMIMS – GLOBAL ACCESS SCHOOL FOR CONTINUING EDUCATION**

Programme: PGDMM (For Employees of Max Life Insurance)

Examination: June 2015

Semester: I - RE-EXAM

Subject: Business Economics

Marks: 50

Date: 16.06.2015

Time: 11.00 a.m. to 1.00 p.m.

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**Instructions:**

**Answer to each new question to be started on a fresh page**  
**Figures in bracket indicate full marks**

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1. Write short notes on any 2 out of 4 (Marks: 2X5=10)
  - a) Price elasticity of demand
  - b) Perfect competition
  - c) Isocost line
  - d) Market failure
  
2. Write short notes on any 2 out of 5 (Marks: 2X5=10)
  - a) Price discrimination
  - b) Substitution effect
  - c) Law of Supply
  - d) Characteristics of Isoquants
  - e) Marginal rate of technical substitution
  
3. Attempt any 3 out of 6 (Marks: 3X10=30)
  - a) Explain the concept of law of demand using demand curve. What are the determinants of demand?
  - b) What are the characteristics of monopolistic competition. Give examples.
  - c) How can the government prevent market failures?
  - d) What are the determinants of market power?
  - e) Distinguish between Economies of Scale and Economies of Scope
  - f) What do you mean by production function? What is the difference between short run and long run production function?