SVKM's NMIMS
School of Distance Learning
Programme: DBM/PGDBM/DMM/PGDMM/DFM/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)
   a) What is Business Economics and describe the major problems of the economy?
   b) What is a Production Isoquant and state its characteristics?
   c) 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.
   d) 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)
   a) Scope of Economics.
   b) Determinants of demand.
   c) Law of Diminishing Marginal Product with the help of a table and a diagram.
   d) Economies of Scope.
   e) Definition and determinants of market power.

Q3. Attempt (Any THREE) (30 Marks)
   a) What is demand forecasting? Also, discuss the different methods used to estimate demand.
   b) 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?
   c) What is Price Discrimination and discuss the different cases of Price Discrimination?
   d) Explain the equilibrium of a Firm under Monopolistic Competition?
   e) What are different forms of price regulation?

Q4. Attempt (Any TWO) (20 Marks)
   a) Explain the different types of elasticity of demand with suitable examples to substantiate your answer?
   b) What do you mean by economies and diseconomies of a scale? Explain increasing, decreasing and constant returns to scale?
   c) What do you understand by oligopoly? Discuss the “Kinked Demand Curve Model”.
   d) Discuss various reasons behind the market failures?