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JK Lakshmipat University, Jaipur
INSTITUTE OF MANAGEMENT

End Term Examination, May 2026
 BBA (Fintech), Semester II, 2025-26

Roll No.....

EP1107: Business Economics

Time: 2 hours

Max. Marks: 40

Instructions to students:

1. Do not write anything other than your roll number on question paper.
2. Attempt any five questions.

- Q. 1 A) How does the nature of a product determine the price elasticity of demand? Discuss the different degrees of price elasticity of demand, supported by graphical illustrations and relevant examples. 4+4 Marks (CO3, 5)
- B) Economic growth is a means to an end, whereas economic development signifies the attainment of that end. Considering this statement, define both concepts and clearly distinguish between economic growth and economic development.

- Q. 2 Gold is often considered an example of a perfectly competitive market, while Indian Railways is viewed as a monopoly. Using these examples, discuss the characteristics of perfect competition and monopoly, and evaluate the extent to which these real-world cases fit the theoretical models. 8 Marks (CO4)

- Q. 3 A quick-service restaurant operates with a fixed kitchen space and limited equipment. To meet increasing customer demand, the manager continuously adds more chefs and support staff. Initially, output and service efficiency improve significantly, but after a certain point, the kitchen becomes overcrowded, coordination declines, and overall productivity starts falling. 8 Marks (CO3)
- Using this scenario and the data provided below, discuss the Law of Variable Proportions by explaining its concept. Using the plotted curves (TP, MP & AP) to explain the three stages of production and their underlying reasons and examine its importance for business decision-making.

Number of Workers	Total Output (Meals per Hour)	Marginal Product
1	10	10
2	25	15
3	45	20
4	60	15
5	70	10
6	75	5
7	72	-3

- Q. 4 How would you explain and graphically illustrate the concepts of Total Fixed Cost and Total Variable Cost, along with the significance of their differences in business decision-making? Additionally, analyze the behavior of Average Cost and Marginal 4+4 Marks (CO3)

Cost and examine the relationship between them using appropriate diagrams.

- Q. 5 Inflation trends in India often influence household budgets, business decisions, and government policies. In this context, explain the concept of inflation, analyze its different types, and illustrate how inflation is measured in India using WPI, CPI, core inflation, and headline inflation. 8 Marks (CO6)

- Q. 6 An economy produces a single good with the following data for two years:

8 Marks
(CO5)

Year	Quantity	Price
Year 1	200	₹5
Year 2	250	₹6

Additionally, net factor income from abroad (NFIA) is ₹100 in Year 1 and ₹150 in Year 2.

Based on the data given for two years, calculate:

- Nominal GDP and Real GDP (with Year 1 as the base year).
- Nominal GNP and GDP both the years
- GDP Deflator for Year 2

all the best!