



Institute of Management
JK Lakshmipat University
Jaipur

END TERM EXAMINATION, 2013



BBA– Sem I
MM: 50 Marks

Course: Introduction to Micro Economics
Time: 3 Hours
Subject code: BBA 015

Instructions: Attempt any three questions from Section A. Section B is compulsory.

Section A

Q1. Discuss the following:

- 1) Difference between Law of Demand and Elasticity of Demand
- 2) Factors determining price elasticity of demand

(10 marks)

Q2. Discuss the following Concepts:

- 1) Point method of measuring the Elasticity of Demand
- 2) Break Even Point and relevance in business decision making

(10 marks)

Q3. Differentiate between perfect competition and monopoly competition. Also illustrate and discuss the various characteristics of both the markets.

(10 marks)

Q4. Explain the following concepts:

- a) Change in demand
- b) Explicit cost
- c) Fixed and variable inputs
- d) Difference between Returns to scale and Returns to a factor
- e) Non-price competition

(10 marks)

Q5. Explain and draw the following short run cost concepts:

- a) TVC
- b) AFC
- c) AC
- d) MC

(10 marks)

Section B

Q6. Discuss the following:

- A) Given the Following the total production of a firm in short run with change in one variable input that is labour. Find out the Marginal and Average product of the firm and graphically discuss the three stages of the production in the short run. Explain which is the best stage of the production and why?

Workers hired	0	1	2	3	4	5	6
Total Product	0	12	22	30	36	40	42

(10 marks)

B)

1. Discuss the price and output determination of a firm in monopolistic competition and also graphically present the following situations in the short run:

- a) Normal profit
- b) Loss
- c) Super normal profit

2. Suppose the characteristic of three persons A, B and C are given as follows:

- a) A wants to buy a book on business economics but has no money to pay for it.
- b) B has sufficient money to buy the books but prefers to borrow books from the library
- c) C has money and is willing to spend his money on the book Business Economics.

Who does create the demand for business economics?

(10 marks)