



**Institute of Management
JK Lakshmipat University
Jaipur**
END TERM EXAMINATION, Dec. Nov.-2019

BBA- Sem. I
MM: 40 Marks

Course: Economics-I
Time: 2 Hours
Subject code: EP1101

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

Section A

Q1. How would you differentiate between Law of Demand and Elasticity of Demand? How would you show your understanding about different methods of measuring elasticity of demand and its applications in decision making?

(8 marks)

Q2. How would you explain and illustrate following short term cost concepts:

- a) TC & TVC
- b) AVC & AFC
- c) Relationship between AC & MC
- d) Sunk Cost & Opportunity Cost

(8 marks)

Q3. How would you differentiate between the short run and long run production functions? How would you illustrate the Law of Variable Proportion, its various stages of production and the reasons of their application?

(8 marks)

Q4. How would you summarize the pricing objectives of a firm and various pricing strategies, which are adopted under different situations?

(8 marks)

Q5. How would you apply your understanding to illustrate the following?

- a) Shift in Demand and Supply Curve and change in Equilibrium Price
- b) Economies and Diseconomies of scale
- c) Reasons of Market Failures

(3+3+2 marks)

Section B

Q6. A)

1. Can you list the features and make a distinction between Perfect competition and Monopoly market. How would you show the graphical representation of output and price determination in both the markets?
2. How would you apply your learnings to explain game theory and its importance in oligopoly market?

(4+4 marks)

B)

1. How would you explain breakeven analysis? How would you summarize its importance in business decisions?
2. A firm starts its business with fixed expenses of Rs. 1,00,000 to produce commodity X. Its variable cost is Rs. 4 per unit. Prevailing market price of the product is Rs. 9. How would you calculate breakeven quantity?

(4+4 marks)