

Roll No.

57006

BBA Ist Semester (Old) 2011-14

Examination–November, 2014

Micro Economics for Business Decisions

Paper-BBA-106

Time : 3 hours

Max. Marks : 80

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard will be entertained after the examination.

Note : Section A is compulsory. Attempt **four** questions from Section B, selecting at least **one** question from each unit. All questions carry equal marks.

SECTION A

1. Briefly explain the following:
 - (a) Scope of Micro Economics
 - (b) Elasticity of Supply

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- (c) External economies of scale
- (d) Factors affecting location of firms
- (e) Features of Perfect Competition
- (f) Forms of Non Price Competition
- (g) Difference between Gross interest and Net interest
- (h) Characteristics of land

SECTION B

Unit I

2. Explain the concept of Price, Cross and Income elasticity of demand. Describe the importance of these elasticities in managerial decision making.
3. How is competitive price determined? Describe the impact of change in demand and supply on price.

Unit II

4. What is optional input combination? How is it determined by the use of isoquants?

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5. Explain the concepts of Fixed cost, Variable cost, Total cost, Average cost and Marginal cost. Describe their inter relationship too.

Unit III

6. Explain equilibrium of a firm under monopolistic competition in the short run and long run.
7. What is price discrimination? Describe equilibrium of a firm under price discriminating monopoly.

Unit IV

8. Explain modern theory of determination of rent.
 9. Critically examine classical theory of interest.
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