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Reg.No :

Name :

MAHATMA GANDHI UNIVERSITY, KOTTAYAM
MGU-UGP BBA (HONOURS) REGULAR EXAMINATION MARCH 2025
SECOND SEMESTER

Core Course (CC) - MG2CCRBBA102 - BUSINESS ECONOMICS

(2024 ADMISION ONWARDS)

Duration: 2 Hours

Maximum Marks: 70

Remember(K), Understand(U), Apply(A), Analyse(An), Evaluate(E), Create(C), Skill(S), Interest(I) and Appreciation(Ap)

Students should attempt at least one question from each course outcome to enhance their overall outcome attainability.

Part A

Short Answer Questions(four to five sentences)

A choice between two options for each question, answer five short answer questions, one from each pair

1a. Distinguish between supply and stock. [U] / [CO1]

OR

1b.. The demand for certain goods, like necessities, remains constant despite price increases. Explain why this happens. [U] / [CO1]

2a. A farmer hires two additional workers during the harvest season without buying extra land or tools. Is the farmer changing the level of production or the scale of production? Justify. [A] / [CO2]

OR

2b. Why does the average fixed cost always decline as output increases? Give a real- life example. [A] / [CO2]

3a. Mention the condition for equilibrium of a firm under perfect competition. [K] / [CO3]

OR

3b. List and explain the different kinds of Monopoly with example for each. [K] / [CO3]

4a. Differentiate between Real GDP and Nominal GDP. [U] / [CO4]

OR

4b. What are the main components of National Income? [U] / [CO4]

5a. Explain the significance of advertisement elasticity in business decisions. [A] / [CO1]

OR

5b. A company selling organic food products notices that as income levels rise in a region, the demand for its products increases significantly. Using the concept of income elasticity, explain why this happens. [A] / [CO1]

[5x3 = 15]

Part B

Short Essay

A choice between two options for each question, answer three short essay questions, one from each pair

6a. Why is managerial economics important for business decision-making. [U] / [CO1]

OR

6b. What is unitary elastic demand? Illustrate with a diagram. [U] / [CO1]

7a. Describe how a perfectly competitive firm maximizes its profits, based on analysis of total revenue, total cost curves, and marginal cost curves. [U] / [CO3]

OR

7b. Define oligopoly. Explain any four key features that distinguish it from other forms of market structures [U] / [CO3]

8a. Discuss the economic structure of India and the role of its three major sectors. [U] / [CO4]

OR

8b. The share of the Indian agriculture sector to GDP is declining throughout the last 5 decades. Does this mean the sector is losing its importance? Justify your answer. [U] / [CO4]

[3x5 = 15]

Part C

Long Essay

A choice between two options for each question, answer two Long essay questions, one from each pair

9a. Construct a hypothetical production schedule and calculate TP, AP, and MP. Plot the corresponding curves and interpret the results. [A] / [CO2]

OR

- 9b. Explain the Cobb-Douglas Production function with a suitable example. [A] / [CO2]
Also explain the factors of production using examples.
- 10a. Define Economics and explain its importance in society. [U] / [CO1]

OR

- 10b. "A consumer is willing to buy 5 kg of apples at ₹50 per kg but only 3 kg when the price rises to ₹70 per kg." (i) Define demand and explain the relationship between price and quantity demanded in this scenario. (ii) How does this situation reflect the Law of Demand? Support your answer with a demand schedule and diagram. (iii) Give two real-world examples where demand does not strictly follow the Law of Demand. [U] / [CO1]

[2x20 = 40]