



Register Number:

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ST. JOSEPH'S COLLEGE (AUTONOMOUS), BANGALORE-27
BBA SF – I SEMESTER
SEMESTER EXAMINATION: OCTOBER 2019
BBASF 1219- Business Economics

Hours: 2 1/2hrs

Total Marks: 70

This paper contains two printed sheets and four parts

Section A

I. Answer any five questions each question carries two marks (5x2=10)

1. Define business economics.
2. What do you mean by ordinal utility?
3. Differentiate between Explicit and Implicit cost.
4. State the meaning of production function. .
5. Give the meaning of the term 'Duopoly'.
6. What do you mean by Consumer Sovereignty?

Section B

II. Answer any three questions each question carries five marks (3x5=15)

7. Write short notes on the scope of business economics.
8. Differentiate between perfect and monopoly competition
9. What are the features of an oligopoly market?
10. What is price discrimination? Explain few of the types of price discrimination.

Section C

III. Answer any two questions each question carries fifteen marks (2x15=30)

11. What are the objective and techniques of demand forecasting?
12. Explain the determinants of supply.
13. Discuss costs in the short run and its types. Illustrate with a table and chart.

Section D

IV.14. Answer the question given below the question carries fifteen marks (compulsory)
(1x15=15)

Case study

Indian consumers are ready to pay any price for gold. Cultural and religious traditions involving wearing of jewelry play a major role in influencing Indian gold market. India is the largest consumer of Gold stands 2nd in consumption next to China, the big difference between China and India. Around 52% of the gold in the world market is used for Jewelry (Out of which 78% is used for making jewels in India) followed by 18% as Individual holdings such as ETF's Exchange Traded Funds) and Unaccounted. Another 18% held as reserves by the federal/Central Bank and remaining 12% is used for Industrial Purpose such as components in electronic devices like cell phones, televisions and GPS units. The other uses of gold are dentistry, medicines, aerospace engineering (to lubricate mechanical parts, conduct electricity and an inner coating of space vehicles which protect infrared radiation and heat). It is also used to make Medals and the making of crowns as it is considered as precious.

Though Gold is categorized under Luxury Goods, people tend to buy as much as they are willing and able to purchase occasions like Weddings and Festivals like Akshaya Tridhya. The change in trend and the introduction of new models also impacts increase in consumption. Gold is considered to be the wealth preserver due to its increase in value over a period of time. The trend precisely shows how it increased the wealth of the Individual and the economy. Gold stands at 12% of our total imports next to Crude Oil and Capital Goods from the largest producers of Gold in this world.

1. What is the economic theory or principle that this case falls under? (5 Marks)
2. Discuss and explain the degrees of price elasticity of demand with suitable examples. (10 Marks)