

Roll No. 0902333

BCA-304(N)

B. C. A. (Third Semester)
EXAMINATION, Nov./Dec., 2018
(New Course)

Paper Fourth

BUSINESS ECONOMICS

Time : Three Hours [Maximum Marks : 75]

Note : Attempt questions from all Sections as directed.

Inst. : The candidates are required to answer only in serial order. If there are many parts of a question, answer them in continuation.

Section—A

(Short Answer Type Questions)

Note : All questions are compulsory. Each question carries 3 marks.

1. (A) Discuss the *three* basic economic problems with the help of production possibility curve.
- (B) Explain law of supply with the help of a suitable diagram.
- (C) Find out the price elasticity of demand for

$$Q_D = \frac{8}{P_x} \text{ (} P_x \text{ is the price of commodity X).}$$

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- (D) Discuss various types of unemployment.
- (E) Explain the different phases of a business cycle.
- (F) Differentiate between the following :
 - (i) WTO and GATT

Or

- (ii) Cross elasticity and Income elasticity.
- (G) Illustrate the circular flow of income in a four sector economy, with the help of a suitable diagram.
- (H) What is meant by outsourcing ? State the reasons for outsourcing.
- (I) Define Multi National Corporations (MNCs). What are the advantages of MNCs ?

Section—B

(Long Answer Type Questions)

Note : Attempt any two questions. Each question carries 12 marks.

2. Explain the determinants of price elasticity and types of price elasticity of demand.
3. Explain, why Marginal cost, Average variable cost and Average cost curves are 'U'-shaped in the short-run.
4. Discuss the properties of an Isoquant and show producer's equilibrium using Isoquant.
5. Explain the short-run equilibrium for a perfectly competitive firm, where the firm earns :
 - (i) Supra-normal profit
 - (ii) Normal profit
 - (iii) Loss

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Section—C

(Long Answer Type Questions)

Note : Attempt any two questions. Each question carries 12 marks.

6. Explain economies and diseconomies of scale.
7. Explain the concept of a dominant strategy, by using the example of a 'Prisoners Dilemma' game.
8. Discuss the various approaches for measuring National Income.
9. Explain demand-pull and cost-push inflation with the help of a suitable diagram.

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