

00223

**BACHELOR OF BUSINESS ADMINISTRATION  
(RETAIL SERVICES)  
(BBARS)**

**Term-End Examination  
December, 2012**

**BRS-003 : BUSINESS ECONOMICS**

*Time : 3 hours*

*Maximum Marks : 100*

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*Note : Attempt any five questions maintaining choice indicated.  
All questions carry equal marks.*

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1. Explain the three central problems that economic addresses. Does the character of these problems change according to the type of economic systems ?
2. What is meant by monopolistic competition ? In what respects is it different from perfect competition ? How does a firm achieve equilibrium in a monopolistically competitive market ?
3. What are the essential features of a monopoly market structure ? Is it necessary that a monopoly firm earn supernormal profit all the time ? Draw appropriate diagrams to illustrate your answer.

4. "Profit maximisation may not be the only objective of a firm". Substantiate.
  5. Explain the relationship between price, marginal revenue and elasticity of demand. Draw appropriate diagram.
  6. Explain in detail any one of the techniques of demand forecasting.
  7. What is meant by oligopoly ? Explain the equilibrium conditions in a oligopoly market through one of the models you are familiar with.
  8. Explain *any two* of the following with suitable examples :
    - (a) Marginal cost curve
    - (b) Law of variable proportion
    - (c) Validity of perfect competition in real world
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