

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

**Term-End Examination**

00904

**December, 2014**

**BRS-003 : BUSINESS ECONOMICS**

*Time : 2 hours*

*Maximum Marks : 50*

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**Note :** Answer any **five** questions. All questions carry equal marks.

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1. Price is higher and the scale of output is smaller under monopolistic competition than under perfect competition. Explain with suitable examples. 10
  
2. "There is an inverse relationship between price of a product and quantity demanded of that product." Discuss with suitable examples. 10
  
3. Differentiate between the following : 5+5
  - (a) Explicit cost and Implicit cost
  - (b) Fixed cost and Variable cost

4. Write short notes on the following : 5+5
- (a) Derivation of market supply curve
  - (b) Natural monopoly
5. What do you mean by price discrimination ? How does a monopolist practice price discrimination ? 10
6. Discuss economies of scale with suitable example. Explain increasing, decreasing and constant returns to scale. 10
7. Show how a firm can maximise output subject to a given cost in the long run. 10
8. Explain the price elasticity of demand with relevant examples. 10
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