

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

Term-End Examination

June, 2016

BRS-003 : BUSINESS ECONOMICS

Time : 3 hours

Maximum Marks : 100

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

1. Explain the concept of elasticity of demand. What are the factors that influence elasticity of demand ? How do you measure elasticity of demand ? 20
2. (a) Distinguish between fixed cost and variable cost. Give suitable examples to illustrate the concepts.
(b) Distinguish between marginal cost and average cost. Draw an appropriate diagram. 20
3. What is meant by market ? Explain in brief the types and structures of markets that we come across in an economy. 20

4. Explain the conditions under which a perfectly competitive firm achieves equilibrium. Use appropriate diagrams. 20
5. Explain the conditions under which a monopolistic firm achieves equilibrium. Can there be supernormal profits in the long run in a monopolistic competitive market ? 20
6. What are the factors that influence supply of and demand for labour ? How does equilibrium take place in the labour market ? 20
7. What is meant by business cycle ? What are the phases of a business cycle ? What corrective measures should be taken to counter business cycle ? 20
8. Explain any *two* of the following with suitable examples : $2 \times 10 = 20$
- (a) Mixed Economy
 - (b) Role of Financial Sector
 - (c) Methods of Demand Forecasting
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