

00543

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

**Term-End Examination
June, 2012**

BRS-003 : BUSINESS ECONOMICS

Time : 3 hours

Maximum Marks : 100

Note : Attempt any five questions.

All questions carry equal marks.

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1. What is meant by monopolistic competition ? How does a producer attain equilibrium under monopolistic competition ? Is it necessary a firm under monopolistic competition will operate with profits ? 20

 2. In order to maximise profits, a monopolist firm can discriminate among buyers. Substantiate the above statement with appropriate diagram. 20

 3. Explain the law of variable proportions with the help of diagrams. Which one is the profitable stage for a firm to operate ? 12+8=20

 4. What do you understand by oligopoly ? Explain one of the theories under oligopoly. 10+10=20

5. Explain the following concepts : **10x2=20**
- (a) Sales maximisation
 - (b) Break - even point
6. Define elasticity of demand. Show that a monopolist firm operates when the elasticity of demand is greater than unity. **20**
7. Distinguish between the following concepts : **10+10=20**
- (a) Short - run and Long - run
 - (b) Marginal cost and Average cost curves
8. Explain how you will estimate the demand for cotton textile in a metropolitan city ? **20**
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