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**B.Sc. FASHION MERCHANDIZING AND
RETAIL MANAGEMENT (BSCFMRM)**

Term-End Examination

June, 2012

BFW-041 : BUSINESS ECONOMICS

Time : 3 hours

Maximum Marks : 70

*Note : Attempt any seven questions from the following.
All questions carry equal marks.*

1. Distinguish between micro and macro economics. 10
2. Yesterday the price of a toffee was ₹ 3 and Nidhi was willing to buy 10 of it. Today the price has gone up to ₹ 3.75 and Nidhi is now willing to buy 8 toffees. Is Nidhi's demand for toffees elastic or inelastic ? What is Nidhi's elasticity of demand ? Is she sensitive or insensitive towards that toffee ? 10
3. What do you understand by Advertising Elasticity of sales ? Explain the important determinants of Advertising - Elasticity. 10

4. Give the main features of monopolistic competition with the help of suitable example. 10
 5. Explain the various methods of measuring National Income. 10
 6. Describe in brief the determinants of the demand function that a firm for the commodity it sells. 10
 7. Explain price and output determination under perfect competition in short run and long run. 10
 8. Write *short notes* on the following : 2x5=10
 - (a) Law of diminishing marginal utility.
 - (b) Law of variable of proportion.
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