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Avinashilingam Institute for Home Science and Higher Education for Women
(Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956)
Re-accredited with 'A++' Grade by NAAC. Recognised by UGC under Section 12 B
Coimbatore-641 043, Tamil Nadu, India

Continuous Internal Assessment –II OCTOBER 2025
Semester -I

Class: I UG
Major: IBBA

Time: 2 Hours
Max.Marks:60

25BBAC02- Business Economics

Course Outcomes:

- CO1: Analyse economic problems and correlate scarcity with the requirements
CO2: Evaluate demand and analyse cost to optimize cost-production combination
CO3: Understand the effects of supply and make a relation between supply and production
CO4: Recognize the existing market and take appropriate decision
CO5: Analysis different theories of determination of factor prices.

Part- A

Choose the correct the answer

(6X1=6)

- 1.The cost of the next best alternative forgone is called CO3:K1
a) Marginal cost b) Average cost
c) Opportunity cost d) Total cost
2. In the long run, all costs are: CO3:K1
a) Fixed b) Variable
c) Sunk d) Average
3. 2. If a firm sells 10 units at ₹50 each, the Average Revenue (AR) will be CO4:K1
a) ₹10 b) ₹50 c) ₹500 d) ₹5
4. When price is equal to marginal cost, it is a feature of: CO4:K1
a) Monopoly b) Oligopoly
c) Perfect competition d) Monopolistic competition
- 5 National income is a measure of CO5:K1
a) Total capital of the country b) Total production of goods and services
c) Total money supply in the country d) Total population of the country
- 6 Moderate inflation is also called CO5:K2
a) Creeping inflation b) Galloping inflation
c) Running inflation d) Disinflation

Part B

Answer ALL questions

(3 x 6 =18)

7. (a) Distinguish between short-run cost curves and long-run cost curves with the help of diagrams in brief. CO3: K2
(Or)
(b) Explain the concepts of total revenue, average revenue, and marginal revenue with diagrams in brief. CO3: K2

8. (a) Explain in brief the concept of product differentiation and its effect on monopolistic competition. (Or) CO4: K2
- (b) Explain the different Features of a Trade Cycle in brief. CO4:K2
9. (a) Explain the different methods of measuring national income in brief. CO5: K2
- (Or)
- (b) Explain the difference between mild, moderate, and galloping inflation. CO5: K2

Part C
Answer ALL questions

(3 x 12 =36)

10. (a) Explain in detail about price and output determination under monopoly different from that under perfect competition . CO3: K2
- (Or)
- (b) Explain the classification of market in detail with example. CO3: K2
11. (a) Discuss the role of monetary policy in controlling inflation in India. CO4: K2
- (Or)
- (b) Elucidate on the usefulness of national income statistics in economic planning. CO4: K2
12. (a) Elucidate the limitations of monetary policy in developing countries. CO5: K2
- (Or)
- (b) Explain the importance of Balance of Payments in economic planning. CO5: K2

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