



*K. Sambath*

**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 Test II – October 2024**

**I Semester**

**Class: I UG**

**Major: BBA**

**Time : 2 hrs**

**Max. Marks : 60**

**24BBAC02 Business Economics**

**Course Outcomes:**

CO1: Integrate the basic concepts of economics for optimal business decision

CO2: Analysis the demand and supply conditions to assess the market viability

CO3: Comprehend the effect of production, cost and Revenue on demand for casting on demand forecasting and pricing and pricing

CO4: Design competitive strategies based on the market environment, nature of products and structure of makes

CO5: Analysis real-world business problem from the economic perspective.

**Part A**

**6 x 1 = 6**

**Choose the correct answer**

1. "A rupee tomorrow is worth less than a rupee today" relates to CO1: K1
  - a. Opportunity cost principle
  - b. discounting principle
  - c. Equi-marginal principle
  - d. None of these
2. Basic economic tools of managerial economics does not include CO1:K2
  - a. Principle of time perspective
  - b. Equi-marginal principle
  - c. Incremental principle
  - d. None of these
3. Demand curve slopes downwards because of CO2:K1
  - a. The law of diminishing marginal utility
  - b. The income effect
  - c. Substitution effect
  - d. All of the above
4. Which of the following is not a survey method of demand forecasting CO1:K3
  - a. Consumers interview method
  - b. Expert opinion method
  - c. Barometric method
  - d. Collective opinion method.
5. Variable cost per unit CO3:K2
  - a. Remains fixed
  - b. Varies with the volume of production
  - c. Varies with sales
  - d. None of these
6. Duopoly is CO3:K1
  - a. Another name for monopoly
  - b. Special type of monopolistic competition
  - c. Two firm oligopoly
  - d. None of these

**Part B**

**3 x 6 = 18**

**Answer ALL Questions**

**Answer should not exceed 400 words or two pages**

- 7.a) Explain any three principles for managerial decision. CO1: K1  
(or)
- 7.b) Discuss the application of economic theories in managerial decision CO1: K2
- 8.a) Explain the determinants of demand. CO2: K1  
(or)
- 8.b) Explain the Types of Elasticity of Demand. CO2: K2
- 9.a) Explain the law of diminishing Marginal utility. CO2: K3  
(or)
- 9.b) Describe Time series for forecasting. CO2: K3

**Part C**

**3 x 12 = 36**

**Answer ALL Questions**

**Answer should not exceed 800 words or four pages**

- 10.a) Briefly explain the Law of Demand. CO1: K3  
(or)
- 10.b) What are the properties of indifference curve. CO1: K2
- 11.a) Briefly Explain the Law of equi- marginal utility. CO2: K3  
(or)
- 11.b) Explain brief the Law of variable proportion. CO2: K1
- 12.a) Discuss the Revealed Preference theory. CO3: K5  
(or)
- 12.b) Explain the Law of supply. CO2: K2

\*\*\*\*\*