



Avinashilingam Institute for Home Science and Higher Education for Women
Deemed to be University Estd. u/s 3 of UGC Act 1956, Category 'A' by MHRD (now MoE)
Re-accredited with 'A++' Grade by NAAC. CGPA 3.65/4, category I by UGC
Coimbatore - 641 043, Tamil Nadu, India.

Continuous Internal Assessment Test I – Aug 2025
I SEMESTER

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 basic objective of the firm is CO1: K1
a. profit maximization b. increasing sales
c. market development d. expand the firm
2. The managerial Economics is base of _____ CO1:K2
a. Micro/macro economics b. Social science c. Public finance d. Market
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 CO2:K2
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 the following

Each answer should not exceed 400 words or two pages

7. (a) Explain the basic economic problem prevailing in the country. CO1: K2
(Or)
7. (b) Discuss the importance of economic theories in management. CO1: K2
8. (a) Explain the important determinants of Demand. CO2: K1
(Or)
8. (b) List out the Types of Elasticity of Demand. CO2: K2
9. (a) Explain the law of diminishing marginal utility. CO2: K2
(Or)
9. (b) Write short note on the use of time series in foreca CO2: K2

Part C

(3 x 12 =36)

Answer ALL questions

10. (a) Explain the Law of Demand with example. CO1: K3
(Or)
10. (b) Discuss the properties of indifference curve and its importance CO2: K2
11. (a) Explain the Law of equi- marginal utility and its impact in decision making. CO2:K2
(Or)
11. (b) Explain the Law of supply with example. CO2: K2
12. (a) Discuss in detail on the Revealed Preference theory. CO2: K2
(Or)
12. (b) Explain the Law of variable proportion with example. CO3: K2