

**KAKATIYA UNIVERSITY**  
**B.Com, I - YEAR : SEMESTER END – I**  
**C.B.C.S. – 2016**  
**Subject: BC-105: Business Economics**

**Time: 3 Hours**

**Max. Marks: 80**

**SECTION – A**

**I. Answer all the questions**

**5 X 4 = 20**

- a) What is the difference between Micro and Macro Economics?
- b) What is Cross elasticity and how do you measure it?
- c) What is Market equilibrium?
- d) What is ISO Quants and ISO Costs
- e) What is Average Fixed Cost?

**SECTION – B**

**Answer all the questions.**

**5 X 12 = 60**

**2.**

- a) Explain the meaning and scope of Business Economics.

(OR)

- b) What do you understand by Law of Equi Marginal utility? Explain its behaviour.

**3.**

- a) Explain Law of demand and exceptions to law of demand.

(OR)

- b) How do you measure the elasticity of demand? Explain different types of elasticity.

**4.**

- a) What is law of supply? Explain factors influencing Supply.

(OR)

- b) Explain the theory of Indifference curve analysis.

**5.**

a) Explain Production function. How does the marginal production differs from average production?

**(OR)**

b) Explain returns to scale. What are the economies and diseconomies of large scale?

**6.**

a) Explain the total cost behaviour in long run and short run.

**(OR)**

b) What are the assumptions and limitations of BEP? How does BEP help in Business decisions?