

**BBA-03**

**December - Examination 2025**

**Bachelor of Business Administration (I<sup>st</sup> Year) Examination**

**BUSINESS ECONOMICS**

**Paper : BBA-03**

[Time: 3 Hours]

[Maximum Marks: 70]

**Note :-** The question paper is divided into three Sections A, B and C. Write answers as per the given instructions.

**Section-A**

**7×2=14**

**(Very Short Answer Type Questions)**

**Note:-** Answer **all** questions. As per the nature of the question delimit your answer in one word, one sentence or maximum up to **30** words. Each question carries **2** marks.

1. (I) What do you mean by Business Economics?
- (II) Explain Total Utility.
- (III) What is Diminishing Rate of Return?
- (IV) What is Price and Output Determination?
- (V) What is Elasticity of Demand?
- (VI) What is Sunk Cost?
- (VII) What is Price Stability?

**Section-B**

**4×7=28**

**(Short Answer Type Questions)**

**Note :-** Answer **any four** questions. Each answer should not exceed **200** words. Each question carries **7** marks.

2. Explain the importance to study Economics with reference to businesses.
3. What do you mean by utility? Explain its types and Law of Equi-Marginal Utility.
4. What is Consumer's Surplus? How can you measure it by using indifference curve?
5. Explain the Law of Demand and Assumptions of the Law of Demand.
6. Define ISO-Product Curve. Explain the characteristics of ISO-Product Curves.
7. Explain relationship between Average Cost and Marginal Cost.
8. Describe the various methods of measuring National Income.
9. What are the assumptions of Marginal Productivity Theory of Distribution?

**Section-C**

**2×14=28**

**(Long Answer Type Questions)**

**Note :-** Answer **any two** questions. You have to delimit your each answer maximum up to **500** words. Each question carries **14** marks.

10. “Business Economics is the integration of economic theory with business practice for the purpose of facilitating decision making”. Discuss.
11. Define elasticity of demand. Explain the degrees of Price Elasticity of Demand.
12. Discuss the characteristics of Perfect Competition. Explain the price and output determination under Imperfect Competition.
13. Define Business Cycle. Explain different phases of Business Cycle.

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