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B.C.A. IVth Semester (Even)
Examination, 2023

BUSINESS ECONOMICS

Paper : BCA-402

[Time : 3 Hours]

[M.M. : 70]

Note :- Answer any *five* questions. All questions carry equal marks.

1. Define business economics. Also discuss nature and scope of business economics.
2. (a) What is the most plausible objective of business firms ? Elucidate.

(b) A manufacturer produces 1,000 units of a certain articles at a total cost ₹ 50,000 and his sale proceeds were worth ₹ 80,000. However he invested his own capital in the business which could have earned him an interest of ₹ 5,000, the rent, for the period of production, which he could have earned, in which he is running his production unit stands at ₹ 20,000. Based on this information calculate accounting profit and economic profit ?

3. Define price elasticity of demand. Explain various degrees of price elasticity of demand. Discuss its importance in business decision-making
4. Define Supply. Explain Law of Supply through a supply schedule and supply curve.
5. Explain the Law of Returns to Scale. Explain the three kinds of returns to scale with the help of isoquants.

6. Explain the various economies of scale and diseconomies of scale that accrue to the firm when it expands its scale of production.
7. How is the price of a commodity determined in a perfectly competitive market ? Illustrate and explain how firms under perfect competition find their equilibrium in short-run ?
8. What is price discrimination ? What are the necessary conditions of price discrimination under monopoly ? Describe the various degrees of price discrimination. Cite examples as well.
9. Give a brief description of various phases of business cycle with diagrammatic representation.
10. What are the methods of demand forecasting ? Discuss in detail the survey methods of forecasting demand. What are their advantages and limitations ?