

Roll No.

BCA-304(N)

**B. C. A. (Third Semester)
EXAMINATION, Dec., 2014**

(New Course)

Paper Fourth

BUSINESS ECONOMICS

Time : Three Hours]

[Maximum Marks : 70

[Minimum Pass Marks : 21

Note : Section A is compulsory. Attempt at least *two* questions each from section B and Section C respectively.

Section—A

3 each

1. (a) What is Law of Supply ?
- (b) What is Circular Flow of Income and Expenditure ?
- (c) What is Innovation Theory of Profit ?
- (d) What are the benefits of Modern Theory of Rent ?
- (e) What is Opportunity Cost ?
- (f) Explain the concept of Internal Economies of Scale.
- (g) What are the impacts of dumping ?
- (h) What is the relevance of WTO in globalized economy ?
- (i) What are the highlights of RBI's monetary policy in October 2014 ?
- (j) Difference between monopoly and oligopoly.

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Section—B

10 each

2. Differentiate between Micro and Macro Economics. Explain importance and limitations of Micro Economics.
3. Examine the Basic Economic Problems. Describe, how do the Market Force help to solve the Economic Problems ?
4. Critically examine the Law of Demand and explain the determinants of Demand.
5. What is Elasticity of Demand ? Explain various types of Elasticity of Demand.

Section—C

10 each

6. Explain the concepts Average Fixed Costs, Variable Cost, Marginal Cost, Total Costs and show their inter-relationship.
7. Describe the Price and Output Determination under Monopoly.
8. Critically evaluate the Liquidity Preference Theory of Interest by Keynes.
9. Explain the globalization of market. Analyse the steps taken by Indian Government to globalize the economy.

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