25901623

Reg.No : ....

Name : ....

MAHATMA GANDHI UNIVERSITY, KOTTAYAM

MGU-BBA (HONOURS) REGULAR/IMPROVEMENT/REAPPEARANCE EXAMINATION APRIL 2026

SECOND SEMESTER

Core Course (CC) - MG2CCRBBA102 - BUSINESS ECONOMICS

(2024 ADMISSION ONWARDS)

Duration: 2 Hours **Maximum Marks: 70**

Remember(K), Understand(U), Apply(A), Analyse(An), Evaluate(E), Create(C), Skill(S), Interest(I) and Appreciation(Ap)

Students should attempt at least one question from each course outcome to enhance their overall outcome attainability.

Part A

Short Answer Questions(four to five sentences)

A choice between two options for each question, answer five short answer questions, one from each pair

1a. What is meant by perfectly inelastic demand? Provide an example of a good with perfectly inelastic demand. [K] / [CO1]

OR

1b.. What is meant by perfectly income inelastic demand? Provide an example. [U] / [CO1]

2a. A clothing manufacturer buys fabric, thread and buttons to produce shirts. Explain why these are considered direct costs and how they impact the total cost production? [A] / [CO2]

OR

2b. State the Law of Equi-Marginal Utility. How is it applied in the allocation of income? [U] / [CO2]

3a. List out the assumptions behind the model of perfectly competitive markets. [K] / [CO3]

OR

3b. State any three reasons why monopolies arise in the market. [K] / [CO3]

4a. Explain the shift in economic policy from the colonial era to the post-independence era in India. [U] / [CO4]

OR

4b. How does the use of the value-added approach help in avoiding double counting when calculating national income? [U] / [CO4]

5a. Explain the concept of percentage change in quantity demanded used in the calculation of price elasticity. [U] / [CO1]

OR

5b. Mention any three assumptions of the Law of Diminishing Marginal Utility. [K] / [CO1]

[5x3 = 15]

Part B

Short Essay

A choice between two options for each question, answer three short essay questions, one from each pair

6a. A consumer purchases more chocolates when the price decreases. Explain this situation using the Law of Demand. [K] / [CO1]

OR

6b. Explain the importance of cross elasticity of demand in determining the market competition between brands. [U] / [CO1]

7a. Discuss the role of demand and supply forces in determining the equilibrium price under perfect competition. [U] / [CO3]

OR

7b. Compare and contrast the following market forms: Duopoly, Oligopoly, and Monopolistic Competition. [U] / [CO3]

8a. How is the circular flow of income completed in a two-sector economy? Illustrate and explain the concept with a diagram. [U] / [CO4]

OR

8b. Explain how unemployment and underemployment are major challenges for the Indian economy. Suggest one measure to address this issue. [U] / [CO4]

[3x5 = 15]

Part C

Long Essay

A choice between two options for each question, answer two long essay questions, one from each pair

9a. Do you think that the Cobb-Douglas production model effectively represents production processes in real life? [A] / [CO2]

OR

9b. Explain the Total Product, Average Product and Marginal Product with the help of a schedule and diagram. [A] / [CO2]

10a. Define Economics and explain its importance in society. [U] / [CO1]

OR

10b. Identify and explain the major determinants of supply. How do changes in each of these factors affect the supply of goods and services in the market? Provide examples to support your explanation. [U] / [CO1]

[2x20 = 40]