

Enrollment No./Seat No.:

GUJARAT TECHNOLOGICAL UNIVERSITY
BBA/MBA INTEGRATED - SEMESTER - II EXAMINATION - SUMMER 2025

Subject Code: BB02001011

Date: 31-05-2025

Subject Name: Business Economics

Time: 10:30 AM TO 01:30 PM

Total Marks: 70

Instructions

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. USE of SIMPLE calculators AND non-programmable scientific calculators are permitted.**

Marks

Q.1 ALL 7 Questions must be Compulsory. **14**

- (a) Macro-Economics
- (b) Scarcity
- (c) Opportunity Cost
- (d) Equilibrium
- (e) Economies of scale
- (f) Substitute goods
- (g) Duopoly

Q.2 (a) Define the term 'Economics'. Discuss the nature and scope of the economics in current era. **07**

(b) What are the ten principles of economics? Explain in brief. **07**

OR

(b) What is micro economics? What are the usefulness and limitations of microeconomics? **07**

Q.3 (a) What is mean by demand? Explain law of demand and Demand curve with suitable example. **07**

(b) Following is a demand scheduled for Gokul Ice cream: **07**

Price (Rs.)	5	10	12	15	18	21
Demand of Ice creams (Cups)	500	450	360	300	250	60

Calculate and comment on Price Elasticity of Demand for Ice cream under following situation:

- a) Price increase from Rs. 10 to Rs. 12.00 and
- b) Price increase from Rs. 15 to Rs. 21.00

OR

- (a) What is market demand? Explain types of market demand and determinant of market demand. **07**
- (b) What is utility? Explain the Marginal Utility and law of diminishing marginal utility by using following data. Draw Marginal Utility curve and total Utility Curve. **07**

Units of Consumption	1	2	3	4	5	6	7	8	9	10
Total Utility	10	12	15	20	25	32	35	33	28	20

- Q.4** (a) Define the term market? Elaborate the different types of markets with its suitable example. **07**
- (b) Describe the features of Monopolistic competition and oligopoly. **07**

OR

- (a) What is mean by supply? Elaborate the law of supply and factors affecting the quantity supply. **07**
- (b) Distinguish between Perfect competition and monopoly market. **07**

- Q.5** (a) What is GDP? How to compute it? Explain the components of GDP. **07**
- (b) What is Money? What are the different kinds of Money? Explain in brief functions of money in the economy. **07**

OR

- (a) Define the term inflation. Discuss the causes and consequences of inflation. **07**
- (b) Write note on fiscal policy with key focus on objectives and tools of fiscal policy. **07**

Enrollment No./Seat No.:

GUJARAT TECHNOLOGICAL UNIVERSITY
BBA/MBA INTEGRATED - SEMESTER - II EXAMINATION - WINTER 2025

Subject Code: BB02001011

Date: 28-11-2025

Subject Name: Business Economics

Time: 02:30 PM to 5:30 PM

Total Marks: 70

Instructions

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. USE of SIMPLE calculators AND non-programmable scientific calculators are permitted.**

	Marks
Q.1 ALL 7 Questions must be Compulsory.	14
(a) Any two principles of economics	
(b) Repo rate and reverse repo rate	
(c) Elasticity of demand	
(d) Law of supply	
(e) Inflation	
(f) Cross-elasticity of demand	
(g) Cardinal and ordinal utility	
Q.2 (a) Contrast microeconomics with macroeconomics	07
(b) Comment on the Equi-marginal principle and time-perspective principle with real life illustrations from the perspectives of a student life.	07
OR	
(b) Express the applications of Opportunity cost Principle and Incremental principle at a micro-economic level.	07
Q.3 (a) Discuss the law of Demand along with its determinants and exceptions.	07
(b) Explain the determinants of price elasticity of demand citing examples.	07
OR	
(a) Analyze the impact of government subsidies and taxes on the supply of agricultural products. How do these factors shift the supply curve?	07
(b) Relate how the Law of Diminishing Marginal Utility applies in understanding consumer behavior using a real-life example, such as eating slices of pizza.	07
Q.4 (a) Identify the similarities and differences between Perfect Competition and Monopolistic Competition.	07

- (b)** Compare the strategic behavior of firms in an oligopolistic airline market versus a monopolistic rail transport system. Identify key differences in pricing, advertising, and customer service, and analyze how these differences affect consumer choice and market efficiency. **07**

OR

- (a)** Enlist and summarize all components of GDP. **07**

- (b)** Comment on how fiat money differs from commodity money. Why do people trust fiat money even though it has no intrinsic value? **07**

- Q.5 (a)** Classify the main tools of monetary policy used by central banks. Appraise primary objective of each tool. **07**

- (b)** Evaluate and justify the effectiveness of using tax cuts versus increased government spending during an economic slowdown. Which fiscal policy would be more practical and impactful for a developing country ? **07**

OR

- (a)** Explain how the Reserve Bank controls inflation through monetary policy. Why is this role important for the economy? **07**

- (b)** Inflation is rising, affecting prices of essentials. Identify two causes and evaluate their impact on middle-income families. Suggest one policy to address this issue. **07**
