

10/6/2014

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**Question Paper Code : 60303**

M.B.A. DEGREE EXAMINATION, MAY/JUNE 2014.

First Semester

BA 7103 — ECONOMIC ANALYSIS FOR BUSINESS

(Regulation 2013)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. What is a free market economy?
2. What is meant by economic efficiency?
3. Distinguish between total utility and marginal utility.
4. What is meant by negative income elasticity?
5. What are the essentials of a market?
6. What are real wages?
7. What is Net National product?
8. How does the taxation policy of the government affect an economy?
9. What are the components of money market?
10. State any two causes of demand-pull inflation.

PART B — (5 × 16 = 80 marks)

11. (a) 'Micro economics occupies a vital place in economics and it has both theoretical and practical importance' – Elaborate.

Or

- (b) 'The scarcity of the resources gives rise to various basic economic problems which have to be solved by an economy if it is to fulfil its purpose' – Explain such problems.

12. (a) Explain the various factors influencing the price elasticity of demand.

Or

(b) What are the three stages of short-run production function? Why does it not make any economic sense to produce in stage 1 and 3?

13. (a) Compare price-output equilibrium under monopolistic competition with that under perfect competition.

Or

(b) Briefly explain the marginal productivity theory of factor pricing (i.e. distribution). What are its main shortcomings?

14. (a) In developing countries like India there are peculiar difficulties involved in the estimation of National Income – Elaborate.

Or

(b) Explain the various objectives of fiscal policy in India.

15. (a) Inflation is unjust, deflation is inexpedient – Explain.

Or

(b) Elaborate the various factors influencing the level of money supply in an economy.