

Roll No.

Total Pages : 03

MBA/M-20 13416
BUSINESS ENVIRONMENT AND
ECONOMICS
MBAD-107

Time : Three Hours]

[Maximum Marks : 80

Note : Attempt *Five* questions in all. Q. No. **1** is compulsory of 20 marks. Attempt *one* question each from Unit I to Unit IV. All questions carry equal marks.

- 1. Write short answers : 5×4=20**
- (a) What is the difference between economics and managerial economics ?
 - (b) What is budget line ? What is its role in the determination of consumer's equilibrium ?
 - (c) What is Law of Variable Proportions ?
 - (d) What is the relation between money supply and inflation ?
 - (e) What is kinked demand curve ? What does it explain ?

Unit I

2. Discuss the nature and dynamics of business environment.
What factors trigger changes in the business environment ?
3. Describe the linkage between economic planning and business entity. Highlight the major achievements of 12th five year plan of India.

Unit II

4. Critically appraise the recent measures undertaken by the government of India to promote the SSI units ? What more in your opinion needs to be done ?
5. What is economic liberalization ? Explain the recent reforms taken place in India related to liberalization.

Unit III

6. Outline the trend projection method of demand forecasting.
What are its limitations ?
7. What is meant by economies of scale ? Distinguish between internal and external economies of scale. How do different diseconomies of scale affect the cost of production ?

Unit IV

8. How is the price of a commodity determined in a perfectly competitive market ? Illustrate and explain how firms under perfect competition take pricing and output decisions.
9. How is the national income of an economy measured ? What are the special problems of measurement of national income in a developing economy ?