



***BBA Retail Management, Logistics & Supply Chain Management and
Ports & Terminals Management
Basics of Economics [MGMT102]***

**Semester –I (Regular) Theory Examination,
December-2019**

Duration: 2 Hr.

Total Marks: 50

Total Pages - 2

Instructions for Students:

1. ALL questions are compulsory
2. Do NOT write on question paper except PR No.
3. Use of calculator / scientific calculator / log table is permitted
4. Figures to the RIGHT indicate full marks

Q. 1 A) State whether the following are TRUE or FALSE (5 Marks)

- i. Alfred Marshal described Economics as 'study of man in his ordinary business of life'.
- ii. Macroeconomics deals with the income and expenses of an individual.
- iii. Price and availability does not influence the Demand of a product.
- iv. The Law of Supply states that the quantity supplied is directly related to price changes.
- v. Activities of Farming, Airlines and Soft Drinks business are examples of Monopoly.

B) Choose the best options among the choices given (5 Marks)

- i. Wants are unlimited, but a single want is
a) Satiabile b) Recurring c) Both A and B d) Neither A nor B
- ii. The cost involved in any decision that consists of making a sacrifice of the next best option is called
a) Basic Cost b) Opportunity Cost c) Competitive cost d) Dual costs
- iii. The point at which the Demand and Supply curves intersect establishes the
a) Equal price b) Opportunity price c) Average price d) Equilibrium price
- iv. A cut in price from \$75 to \$60 sees demand for a product rise from 1200 units to 1500 units. What is the price elasticity of demand for this product?
a) 0.80 b) 1.00 c) 1.25 d) 2.00
- v. Marginal Cost is the change in Total Cost resulting from the unit change in
a) Output b) Stock in hand c) Input d) Orders received

Q. 2 State the Laws of Demand and Supply. Differentiate between the Law of Demand and Law of Supply with graphical examples. (10 Marks)

Q. 3 What are the different types of Market and Competition? Explain with examples. **(10 Marks)**

Q. 4 Answer any one of the questions (A) OR (B) **(10 Marks)**

(A) Study the following data and answer the questions that follow –
PER CAPITA INCOME OF SELECTED STATES OF INDIA

Sl No	States	2015-16	2016-17	2017-18
1	Andhra Pradesh	72301	81397	90517
2	Assam	38945	44263	49480
3	Bihar	26948	31199	36143
4	Orissa	49227	52559	59229
5	Uttarakhand	92566	103716	115632
6	West Bengal	60318	70059	78903

- What is the Average Per Capita Income of a) 2015-16, b) 2016-17 and c) 2017-18
- What are the factors that affect the Per Capita Income of the States?
- Draw a Bar Graph to represent the given data.

OR

- (B) Write Short Notes on ANY FOUR of the following–
- Complementary and Supplementary goods
 - Price Elasticity and Income Elasticity
 - Historical Cost and Replacement Cost
 - Barter Trade and Money Transactions
 - Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)

Q. 5 Read the Caselet and answer the questions that follow- **(10 Marks)**

Palitana city near Bhavnagar in Gujarat State has been declared 100 % Pure Vegetarian City in the world. The mountain city is home to hundreds of Jain Temples and is also a major pilgrim centre for Jains. More than 200 Jain Monks took lead in protests against slaughter of animals as they felt that animals also equal right to live and not be slaughtered for the purpose of food for human consumption.

In Palitana, it is absolutely illegal to kill animals for human consumption and there is a penalty towards the same. It is illegal to even sell eggs. A lot of city dwellers had to change their livelihood due to this policy and call to promote vegetarianism. The Government and the local communities have given full support and help to all citizens in giving up business in animal slaughter and meat business and opt for other jobs and businesses.

- What was the need for Palitana to become a fully vegetarian city?
- How will the change in vegetarianism affect the economic activities of Palitana?
- What is the responsibility of the Government and the community in re-establishing the jobs and business of citizens involved in Meat Business in Palitana?
- Would you recommend that there should be more cities like Palitana? Why?

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