S.No. : 100

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BBAP 4202

Following Paper ID and Roll No. to be filled in your Answer Book.

PAPER ID : 47308	Roll No.										

B. B. A. (P) Examination 2021-22

(Even Semester)

BUSINESS ECONOMICS-II

Time : Three Hours] *[Maximum Marks : 60*

Note :– Attempt all questions.

SECTION – A

1. Attempt all parts of the following : 8×1=8

(a) List any two examples of primary goods.

(b) List any two major roles of Central Bank.

(c) Mention any two determinants of price elasticity .

(d) Mention any two main sources of market failure.

(e) State any two role of financial assets market.

(f) List any two institutions in facilitating commerce and development.

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(g) What are the factors leading to liquidity surpluses in short run?

(h) What are the policies available to deal with market failure?

SECTION – B

2. Attempt any two parts of the following : $2 \times 6 = 12$

(a) "Pricing plays an important role in revenue maximization" Define the statement.

(b) Define externalities. How does negative externality effect the economy at macro level?

(c) Describes different measures taken by the government to improve the system of agricultural marketing with context to Indian scenario.

(d) "Commercial banks plays an important role in credit creation". Explain the statement.

SECTION – C

Note:- Attempt all questions. Attempt any two parts from each questions. $5 \times 8 = 40$

3. (a) Explain price elasticity of demand and supply with suitable diagrams.

   (b) Elaborate on the cause of instability of prices in market for primary goods.

   (c) Explain role of financial institutions in assisting organisations to manage their liquidity positions.

4. (a) Elaborate on the origins of the 2008 banking crisis and credit cnench.

   (b) Explain effects of price elasticity of demand on firm's revenue.

   (c) Suppose a product is currently priced at Rs. 30 with associated demand of 50,000 units per annum. The directors would like to boost revenue and are considering a price cut to Rs. 29. Research suggests that PED is -0.9. Determine the expected change in demand and total revenue.

5. (a) Explain the role of Indian government in regulating the primary goods market.

(b) "Price elasticity can help an economy to stabilize in term of demand and supply." Do you agree with the statement.

(c) A business currently sells 1,00,000 units of a product per month at a price of Rs. 6. The sales manager has suggested dropping the price to Rs. 5.80 with the arguments that the quantity demand will rise to 1,04,000 units. Calculate the PED.

6. (a) Explain Foreign Exchange Market.

(b) Write short notes on :

(i) Bond market

(ii) Hot money

(c) Define market equilibrium. Also relate Cobweb theorem to the market equilibrium theory.

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