

**January 2015**  
**Bachelor of Business Administration (BBA) Examination**  
**I Semester**

**Economics - I**

**Time 3 Hours]**

**[Max. Marks 80**

**Note : Attempt any five questions. All questions carry equal marks.**

- Q.1.** Distinguish between micro and macro economics. Explain the importance of micro economics theory and describe the fields of economics in which it has been usefully applied. <http://www.davvonline.com>
- Q.2.** Define demand and supply and describe its determinants with suitable examples. Distinguish between substitutes and complements with examples. How does this distinction of goods help in business decision making?
- Q.3.** Define the production function. Explain the law of variable proportions with its various stages. What are the basic assumptions behind this law?
- Q.4.** Explain the concepts of average fixed cost, average variable cost, average cost and managerial cost and show their relationship.
- Q.5.** What are the characteristics of perfect competition? How is equilibrium and price determine under perfect competition in the short run and long run period? <http://www.davvonline.com>
- Q.6.** Distinguish between current account and capital account of the balance of payments. Mention the various items on both these accounts of Balance of Payments.
- Q.7.** Explain the gains from free trade for a developing country like India. In view of these gains from free trade, explain why the various countries put up various barriers to trade?

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