INDIAN INSTITUTE OF MANAGEMENT & COMMERCE
DEGREE & P.G COLLEGE, An Autonomous College
Sponsored by VASAVI FOUNDATION & Affiliated to OSMANIA UNIVERSITY
RE-ACCREDITED BY NAAC WITH "A+" GRADE
An ISO 21001 : 2018 Certified College
6-1-91, Adj. to Telephone Bhavan, Khairatabad, Hyderabad-500 004 Telangana, INDIA
E-mail Id: iimc1973@gmail.com / info@iimchyd.ac.in, Website: www.iimchyderabad.com / www.iimchyd.ac.in
Phones : 2323 7902, 2323 1542 Mobile : 95531 62767

# Business Economics

Question Bank

**Essay type:**

**Unit-1**

1. Explain the nature and scope of Business Economics
2. Write about the business Economics Principles
3. Explain the law of Diminishing Marginal Utility. What are its limitations
4. Explain about the law of Equi-Marginal Utility
5. What is Micro Economics? Explain its importance.

**Unit-2**

1. Define and explain Law of demand Are there any exceptions to it.in detail.
2. Explain the concept of Demand and the measurement of price elasticity of demand and its different forms.
3. Explain the nature and various types of elasticity of demand in detail.
4. Explain the Marshallian concept of consumer's surplus. What is its significance?

**Unit-3**

1. Explain how supply and demand determine the equilibrium price. What happens if the supply curve shifts to the right?
2. Explain about the law of supply. What are its exceptions.
3. Examine the conditions of equilibrium of consumer and explain it with the help of indifference curves.

**Unit-4**

1. Write about the law of variable proportions in detail.
2. Write about the law of returns to scale in detail.
3. Explain producer's equilibrium with Isoquants

**Unit-5**

1. Explain about the classification of costs in detail.

2. Explain about the cost output relationship in the short run and long run according to modern economists.
3. Explain about the traditional and modern cost curves in detail.
4. What is Break even analysis? State its assumptions and limitations
5. Explain the relationship between TR, AR and MR.

**Short Questions:**

**Unit-1**

1. Definition of Business Economics
2. Nature of Business Economics
3. Objectives of Business Economics
4. Decision Making and its process & Forward Planning
5. Micro Economics
6. What is Macro Economics

**Unit-2**

1. Extension and contraction of demand
2. Determinants of demand
3. Demand Function
4. Point elasticity and Arc elasticity
5. Types of demand
6. Cardinal and ordinal utility
7. Shifts in Demand curve
8. Why demand curve slopes downwards from left to right?
9. Exceptions to the law of demand
10. Concept of elasticity of demand
11. Types of elasticity of demand
12. MRS
13. Budgetline

**Unit-3**

1. Factors & Supply function
2. Producer's equilibrium
3. Shifts in supply curve
4. Consumer surplus
5. Properties of indifference curves
6. Utility analysis & Indifference curves Analysis

**Unit-4**

1. Isocost lines
2. Isoquant Map
3. MRTS
4. *Internal Economies & External Economies*
5. Total, Average and Marginal product
6. Properties of Isoquant curves
7. Cobb Douglas production function

**Unit-5**

1. Define cost
2. Cost function
3. Opportunity cost Vs Incremental cost
4. Accounting cost Vs Economic cost
5. Profit maximization VS Wealth maximization
6. Theory of firm in the short run
7. Theory of firm in the long run
8. Explicit costs and Implicit costs
9. Total cost, Fixed cost, Variable cost and Semi Variable cost
10. Price elasticity, Average Revenue and Marginal Revenue
11. Breakeven point and shut down point
12. Breakeven chart
13. Margin of safety
14. Breakeven Analysis its limitations and managerial implications
15. Economies and diseconomies of scale in LR
16. U shaped and L shaped cost curve
17. Relation between AFC, AVC and ATC
18. Nominal cost VS Real cost