INDIAN INSTITUTE OF MANAGEMENT & COMMERCE
DEGREE & P.G COLLEGE, An Autonomous College
Sponsored by VASAVI FOUNDATION & Affiliated to OSMANIA UNIVERSITY
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Business Economics

Question Bank (2026-27)

Semester -1

Unit-1 **Introduction**

Short Type: (5 Marks)

1. Definition of Business Economics & its Nature
2. Write about the scope of Business Economics
3. Discuss about the various goals of a firm
4. Decision Making and its process & Forward Planning
5. Differentiate between Micro Economics & Macro Economics
6. Differentiate between Opportunity cost & Marginal cost
7. Differentiate between Economic profit & accounting profit

Essay type: (10 Marks)

1. Explain the nature and scope and significance of Business Economics
2. Explain about the economic principles used in business decision making
3. Explain the law of Diminishing Marginal Utility. what are its assumptions & limitations
4. Explain about the law of Equi-Marginal Utility with suitable table & Graph
5. Discuss the objectives of a firm with examples
6. Explain the role of Business Economics with other disciplines in managerial decisions

Unit-2 **Demand Analysis**

Short type (5 Marks)

1. Define demand and explain law of demand
2. State the determinants of demand & demand schedule
3. Define price elasticity of Demand & its types
4. Explain consumer equilibrium
5. Define law of diminishing marginal utility
6. Define law of equi- marginal utility
7. Extension and contraction of demand
8. Demand Function
9. Point elasticity and Arc elasticity

10. Types of demand
11. Cardinal and ordinal utility
12. Shifts in Demand curve
13. Properties of indifference curves
14. Consumer surplus
15. Indifference curves Analysis
16. Why demand curve slopes downwards from left to right?
17. Exceptions to the law of demand
18. Concept of elasticity of demand
19. Types of elasticity of demand
20. MRS
21. Budget line

Essay type: (10 Marks)

1. Explain the law of demand with its assumptions, exceptions and diagram
2. Explain the types and measurement of elasticity of demand
3. Explain the IC curves Analysis with assumptions
4. Explain the law of diminishing marginal utility with suitable graph in detail.
5. Examine the conditions of equilibrium of consumer and explain it with the help of indifference curves.
6. Explain the Marshallian concept of consumer's surplus. What is its significance?
7. Explain how supply and demand determine the equilibrium price. What happens if the supply curve shifts to the right?
8. What is Demand curve and explain why the demand curve slopes downwards from left to right

Unit-3 **Supply Analysis**

Short type (5 Marks)

1. Explain about the law of supply. What are its exceptions?
2. Explain about the elasticity of supply and its types with diagrams
3. Factors & Supply function
4. Shifts in supply curve
5. Producers equilibrium

Essay type: (10 marks)

1. Explain about the law of supply what are its exceptions
2. Explain how supply and demand determine the equilibrium price. What happens if the supply curve shifts to the right?

Unit-4 **Production & Cost Analysis**

Short type (5 Marks)

1. Properties of Isoquant curves
2. Cobb Douglas production function
3. Define cost & Cost function
4. Opportunity cost Vs Incremental cost
5. Accounting cost Vs Economic cost
6. Profit maximization – MR= MC
7. *Internal Economies & External Economies*
8. What is Marginal cost & Marginal Revenue
9. What is Money cost and Real cost
10. Total Revenue, Average Revenue, Marginal Revenue
11. Short run and long run costs
12. Wealth maximization
13. Theory of firm in the short run and its cost behavior
14. Theory of firm in the long run and its cost behavior
15. Explicit costs and Implicit costs
16. Total cost, Fixed cost, Variable cost and Semi Variable cost
17. Price elasticity, Average Revenue and Marginal Revenue
18. Breakeven point and shut down point
19. Breakeven chart
20. Margin of safety
21. Breakeven Analysis its limitations and managerial implications

Essay type (10 Marks)

1. Explain about the law of variable proportions with diagram
2. Explain about the law of returns to scale
3. Explain producer's equilibrium with isoquants
4. Explain about the classification of costs in detail.
5. Explain about the cost output relationship in the short run and long run according to modern economists.
6. Explain about the traditional and modern cost curves in detail.
7. What is Break even analysis? State its assumptions and limitations
8. Explain the relationship between TR, AR and MR.
9. Explain about economies and diseconomies of scale.
10. Write about least cost input combination with the help of ridge lines

Unit – 5 **Market Structures**

Short type: (5 Marks)

1. Define perfect competition & its features
2. Differentiate between perfect competition and monopoly
3. Define monopolistic competition & its features
4. What are different market structures with comparison table

Essay type: (10 Marks)

1. Explain about monopolistic competition with Chamberlin's model.
2. What is a monopoly market how the price is determined under monopoly?
3. Define oligopoly & write about kinked demand curve with diagram in detail.