

Register No.: ..... Name.: .....

**SAINTGITS COLLEGE OF ENGINEERING (AUTONOMOUS)**

(AFFILIATED TO APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY, THIRUVANANTHAPURAM)

**FIRST SEMESTER MBA DEGREE EXAMINATION (Regular), FEBRUARY 2022  
(2021 Scheme)**

Course Code : 21MBA107

Course Name: BUSINESS ECONOMICS

Max. Marks : 60

Duration: 3 Hours

**PART A***(Answer all questions. Each question carries 2 marks)*

1. Compare the concepts 'micro economics' and 'macro economics'.
2. Define price elasticity of demand.
3. What are economies of scale?
4. What are the characteristics of monopolistic competition?
5. What is a business cycle? List the stages of business cycle.

**PART B***(Answer any 3 questions. Each question carries 10 marks)*

6. Distinguish the difference between incremental concept and marginal concept and its importance in decision making.
7. Explain the law of demand with the help of demand schedule and demand curve. What are the exceptions to the law of demand?
8. Discuss the concept 'Production Function'. Distinguish between the law of return to variable proportions and the law of return to scale.
9. Examine the factors which determine the price of product under perfect competition. Discuss why is a firm under perfect competition a price-taker and not a price-maker?
10. Explain monetary policy. Critically examine the role of monetary policy in the economic stability.

**PART C***(Compulsory question, the question carries 20 marks)*

11. As per the first advance estimates of annual national income released by the National Statistical Office (NSO), Real GDP is estimated to contract by 7.7 percent in 2020-21, as compared to a growth of 4.2 percent in 2019-20. This contraction in GDP growth is mainly attributed to the contraction in industry and services sector. The growth of Gross Value Added (GVA) at constant (2011-12) basic prices is estimated to contract by 7.2 percent in 2020-21, as compared to a growth of 3.9 percent achieved in 2019- 20. Positive growth in real GVA in agriculture & allied sectors at 3.4 percent in 2020- 21 against 4.0 percent in PE of 2019-20 indicates resilience of rural economic activity to the

Covid-19 pandemic. From the demand side, private consumption expenditure is estimated to contract at 9.5 percent in 2020-21 as against a growth of 5.3 percent in 2019-20 and fixed investment is estimated to decline by 14.5 percent in 2020-21 as against 2.8 percent in 2019-20. Government consumption final expenditure is estimated to grow at 5.8 percent in 2020-21 as against 11.8 percent in 2019-20. Exports and imports of goods and services are estimated to contract at 8.3 percent and 20.5 percent (at constant prices) respectively in 2020-21.

(a) Discuss the key macroeconomic issues confronting Indian policy makers in economic growth. (10 Marks)

(b) Critically examine the reasons for contraction in GDP growth of India based on the above case let and its impact on Indian economy. (10 Marks)

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