**ST.JOSEPH’S UNIVERSITY, BENGALURU -27**

Registration Number:

Date & session: 5-12-2022 (1pm)

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**BBA/BBA SF – I SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2022**

**(Examination conducted in December 2022)**

**BA1221/BASF1221 – BUSINESS ECONOMICS**

**Time: 2 Hours Max Marks: 50**

**This paper contains \_\_2\_\_\_\_ printed pages and \_\_3\_\_\_ parts**

**Section A**

**I.** Answer ***any five*** of the following (**5x2 = 10 Marks)**

1. What is cross elasticity of demand?
2. State four features of Oligopoly market structure
3. Mention two examples of external diseconomies of scale
4. What is Law of Variable Proportion?
5. Define consumer sovereignty
6. Who’s a business economist?

**Section B**

**II.** Answer ***any two*** of the following (**2x15 = 30 Marks)**

1. Elaborate the Law of Returns to Scale. Support your answer with a diagrammatical representation.
2. Explain the advantages and disadvantages of Monopoly market structure. Elaborate the price determination of a Monopoly firm during long run.
3. Differentiate between Ordinal utility and Cardinal utility approach. List out the assumptions under Cardinal utility approach.

**Section C**

**III.** Answer the questions given below (**1x10 = 10 Marks)**

1. A leading medical devices manufacturer wanted to optimize its production planning and reduce loss from back orders.
At the macro-level, the client wanted to:

•   Improve the accuracy of its existing demand forecasting model to increase supply chain efficiency
•   Create a demand forecasting framework for high demand-stream volatility segments with high-levels of accuracy

The client’s past efforts to deal with the problem involved working with analytics enablers that adopted a black-box approach to problem solving. With such contained approaches yielding no results, the client wanted more visibility and insight into the problem-solving methodologies.

Answer the following questions:

1. Briefly explain the methods of demand forecasting that can be adopted by the company during a short run. **(5 marks)**
2. Briefly explain the uses and limitations of Demand forecasting. **(5 marks)**