



Register Number:

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ST. JOSEPH'S COLLEGE (AUTONOMOUS), BANGALORE-27
BBA – I SEMESTER
SEMESTER EXAMINATION: JANUARY 2021
BBASF 1219- Business Economics

Hours: 2 1/2hrs

Total Marks: 70

This paper contains two printed sheets and four parts

Section A

I. Answer any five questions each question carries two marks (5x2=10)

1. Define business economics.
2. What do you mean by the Giffens Paradox?
3. What is opportunity cost?
4. State the law of supply.
5. Give the meaning of the term 'Duopoly'.
6. What do you mean by marginal cost?

Section B

II. Answer any three questions each question carries five marks (3x5=15)

7. Write short notes on the scope of business economics.
8. Give the importance of demand forecasting.
9. What are the features of perfect competition?
10. Briefly explain the indifference curve analysis.

Section C

III. Answer any two questions each question carries fifteen marks (2x15=30)

11. A. Explain in detail the law of equi-marginal utility. (8 Marks)
B. Write short note on: a. Consumer Surplus (3 Marks)
b. Consumer sovereignty (4 Marks)
12. What is elasticity of demand? What are its types? Explain the type of elasticity in the following conditions:
 - a. Price of apple falls by 10% and demand increases by 15%.
 - b. Price of car increases by 20% and demand for petrol decreases by 15%.
 - c. 8% increase in demand for coffee and 10% increase in demand for tea.
13. Discuss costs in the short run and its types. Illustrate with a table and chart.

Section D

IV.14. Answer the question given below the question carries fifteen marks (compulsory)
(1x15=15)

Case study

Netflix began operation in 1997 as a DVD by mail rental service. After many years, it has morphed into the largest online television network, with over 100 million members worldwide which streams over 125 million hours of programming per day. Its members are able to watch on multiple different devices from just about anywhere, at any time. These entertainment choices include films, television, documentaries, and original programming. With an enterprise value of \$71.47 billion, this internet giant has changed the way we consume modern media and entertainment. Netflix has frequently invested in original programming that is generated strongly based on the trends of the consumer. This company has market insight that Nielsen ratings can't compare with. In addition to the number of people watching programming, Netflix can also tell when users watch, how long they typically watch for, what people want to see, and much more. This information is used to provide the highest quality experience for the consumer. With a large share of the online streaming market cornered, Netflix has openly said that their biggest current competitor is sleep. In the streaming market, Netflix, Hulu, and Amazon are the main competitors. With Netflix being the market leader, they have large influence over this market. If Netflix decides to reduce prices, then Hulu and Amazon must also reduce consumer cost or risk losing customers to Netflix. By persistently providing the services and integration that consumers desire, Netflix can continue to expand its service to more consumers than it currently does. If Netflix can continue to understand the wants of the consumers, then they will remain leaders in their market.

1. What type of market competition does Netflix fall under?
2. Discuss the market structure in detail with relevant features.

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