

**Exam. Code : 304301**

**Subject Code : 7395**

**P.G. Dip. in Business Management I<sup>st</sup> Semester**  
**BUSINESS ECONOMICS AND ENVIRONMENT**  
**Paper—PGDBM-102**

Time Allowed—3 Hours] [Maximum Marks—50

**SECTION—A**

**Note :—** Attempt any **FIVE** parts from Section A. Each part carries **2** marks and to be attempted in **5** lines each.

1. (i) What do you understand by business economics ?
- (ii) What is the scope of economics ?
- (iii) Define elasticity of demand.
- (iv) What is the relationship between average cost and marginal cost ?
- (v) What are the important properties of an indifference curve ?
- (vi) What do you mean by social responsibility of business ?
- (vii) Distinguish between external and internal business environment.
- (viii) What are the important provisions of 'Consumer Protection Act' ? 2×5=10

**SECTION—B**

**Note** :— Attempt any **TWO** questions from Section B. Each question carries **10** marks and to be attempted in **5** pages each.

2. Distinguish between total utility and marginal utility. Explain the law of diminishing marginal utility and consumer equilibrium with the help of utility analysis.
3. Differentiate between utility analysis and indifference curve analysis in consumer behaviour. How we can separate the price effect into income and substitution effect with the help of indifference curve analysis ? Explain.
4. State and explain traditional theory of cost by drawing diagrams of various cost curves both in short and long-run.
5. Distinguish between perfect and imperfect competition. How price and output are determined under imperfect competition ? Explain with diagrams. 10×2=20

**SECTION—C**

**Note** :— Attempt any **TWO** questions from Section C. Each question carries **10** marks and to be attempted in **5** pages each.

6. What are the various elements of business environment ? How ownership and size of firm affect the various elements of business environment ? Explain.

7. What do you understand by socio-cultural environment of business ? Discuss the role of state in this context.
8. Distinguish between economic environment and technological environment of business. How current economic scenario affect these ? Explain.
9. State and explain the various features and provisions of 'Environment Protection Act' as adopted in India. Also explain the various implications of this Act.

10×2=20