JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -1 EXAMINATION- 2026

B.B.A-1st Semester

COURSE CODE (CREDITS): 23BB1HS114 (4) MAX. MARKS: 15

COURSE NAME: MANAGERIAL ECONOMICS

COURSE INSTRUCTOR: DR. VISHAL SHARMA MAX. TIME: 1 Hour

Note: *(a) All questions are compulsory.*

(b) Answer in chronological order

(c) Use of calculator is allowed

Q.No	Questions	CO	Marks
Q1	A farmer observes that when the market price of tomatoes increases from ₹20 per kg to ₹35 per kg, he is willing to supply a larger quantity of tomatoes to the market. a) Identify and state the economic law illustrated in the above situation. b) Explain the relationship between price and quantity supplied according to this law, assuming other factors remain constant.	CO-2	1+2
Q2	The price of a product falls from ₹100 to ₹80, and its quantity demanded increases from 50 units to 70 units. a) Calculate the price elasticity of demand using the percentage method. b) Based on your answer, state whether the demand is elastic or inelastic.	CO-2	2+1
Q3	A consumer has a fixed monthly budget of ₹1,000 to spend on two goods, X and Y. The prices of X and Y are ₹100 and ₹50 respectively. The consumer considers different combinations of the two goods before making a final choice. a) Explain the concept of a budget line in this situation. (1.5 Marks) b) How a consumer can attain equilibrium while choosing between the two goods.	CO-3	1.5+1.5

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Q4	Rohan has a fixed budget to spend on two goods, X and Y. He finds that different combinations of these goods provide him with the same level of satisfaction. While analysing his choices, certain assumptions are made regarding his preferences and behaviour. Based on the above situation, explain the concept of an indifference curve and discuss the assumptions underlying indifference curve analysis.	CO-3	3
Q5	A consumer is given a choice between two bundles of goods, A and B, both of which are affordable. The consumer chooses bundle A. Later, when the same two bundles are available under similar conditions, the consumer again chooses A. What does this choice indicate according to Revealed Preference theory? Explain your answer.	CO-3	3

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