

Roll No. ....

## **BBA–202**

### **Microeconomic and Banking Foundation of Business**

(व्यष्टि व्यवसाय के आर्थिक तथा बैंकिंग आधार)

Bachelor of Business Administration  
(BBA-10/12/16/17)

Second Semester, Examination, 2018

**Time : 3 Hours**

**Max. Marks : 80**

**Note :** This paper is of **eighty (80)** marks containing **three (03)** Sections A, B and C. Attempt the questions contained in these Sections according to the detailed instructions given therein.

#### **Section–A**

#### **(Long Answer Type Questions)**

**Note :** Section ‘A’ contains four (04) long answer type questions of nineteen (19) marks each. Learners are required to answer *two* (02) questions only.

1. What do you understand by the term micro-economics ? Discuss the nature and scope of micro-economics.
2. Distinguish between (i) extension and increase in demand (ii) contraction and decrease in demand. Illustrate with diagrams.
3. (a) Discuss the role of banks in the economic development of any country.  
(b) Discuss the role of Information Technology in Banks in India.

**(B-68) P. T. O.**

4. What is Monetary Policy ? Discuss, how is it useful in controlling inflation.

### Section-B

#### (Short Answer Type Questions)

**Note :** Section 'B' contains eight (08) short answer type questions of eight (8) marks each. Learners are required to answer *four* (04) questions only.

1. What are the main sources of funds of banks ? Explain the guiding principles which a bank should keep in mind while investing its funds.
2. Discuss economies and diseconomies of scale with suitable examples.
3. Write short notes on the following :
  - (a) Time Value of Money
  - (b) Objectives of demand forecasting
4. What is monopolistic competition ? How price determined under it ?
5. Mention various assumptions of perfect competition.
6. Discuss the law of diminishing returns. Does it apply to a agriculture ?
7. State the features of oligopoly market.
8. Discuss Malthusian theory of population.

### Section-C

#### (Objective Type Questions)

**Note :** Section 'C' contains ten (10) objective type questions of one (01) mark each. All the questions of this Section are compulsory.

1. Which of the following is a micro-economic statement ?
  - (a) The real domestic output increased by 2.5 percent last year.

- (b) Unemployment was 9.8 percent of the labour force last year.
  - (c) The price of wheat declined last year.
  - (d) The general price level increased by 4 percent last year.
2. In the simple circular model :
- (a) householders are supplier of resources
  - (b) businesses are suppliers of final products
  - (c) households are demanders of final products
  - (d) All of the above are true
3. The law of demand states that :
- (a) Price and quantity demanded are inversely related
  - (b) The larger the number of buyers in the market the lower will be product price
  - (c) Price and quantity related are directly related
  - (d) Consumers will buy more of a given product at higher price than they will at a low prices
4. An increase in product price will cause :
- (a) quantity demanded to decrease
  - (b) quantity supplied do decrease
  - (c) the supply curve to shift to the right
  - (d) the demand curve to shift to the left
5. An improvement in production technology will :
- (a) tend to increase equilibrium price
  - (b) shift the supply curve to the left
  - (c) shift the supply curve to the right
  - (d) shift the demand curve to the right

6. Under which Act does RBI issue directives to banks ?
  - (a) PMLA Act, 2002
  - (b) RBI Act, 1934
  - (c) DICGC Act, 1982
  - (d) Banking Regulation Act, 1949
7. Which of the following is not negotiable instrument ?
  - (a) Cheques
  - (b) Bill of Exchange
  - (c) Promissory Notes
  - (d) All are Negotiable Instruments
8. A cheque which is payable to any person who present if for payments through counter is called :
  - (a) Cross cheque
  - (b) Bearer cheque
  - (c) Open cheque
  - (d) Blank cheque
9. Commercial paper are :
  - (a) Unsecured money market instrument
  - (b) Secured money market instrument
  - (c) Both secured and unsecured instrument
  - (d) None of the above
10. Which of the following function is not performed by RBI ?
  - (a) Regulation of money supply
  - (b) Custodian of foreign exchange
  - (c) Regulation of FDI
  - (d) Regulation of Banks in India