

Roll. No. ....

Question Booklet Number

O.M.R. Serial No.

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**BBA (Retail Operations) (SEM.-II) EXAMINATION, 2025-26**  
**Course Structure (With Effect from 2025-26) (AEDP)**  
**CORE COURSE-I**  
**( Managerial Economics )**

<b>Paper Code</b>						
<b>F</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>

Question Booklet  
Series

**D**

Time : 1 : 30 Hours

Max. Marks : 75

**Instructions to the Examinee :**

1. Do not open the booklet unless you are asked to do so.
2. The booklet contains 100 questions. Examinee is required to answer only 75 questions in the OMR Answer-Sheet provided and not in the question booklet. All questions carry equal marks.
3. Examine the Booklet and the OMR Answer-Sheet very carefully before you proceed. Faulty question booklet due to missing or duplicate pages/questions or having any other discrepancy should be got immediately replaced.
4. Four alternative answers are mentioned for each question as - A, B, C & D in the booklet. The candidate has to choose the correct / answer and mark the same in the OMR Answer-Sheet as per the direction :

*(Remaining instructions on last page)*

**परीक्षार्थियों के लिए निर्देश :**

1. प्रश्न-पुस्तिका को तब तक न खोलें जब तक आपसे कहा न जाए।
2. प्रश्न-पुस्तिका में 100 प्रश्न हैं। परीक्षार्थी को केवल 75 प्रश्नों को केवल दी गई OMR आन्सर-शीट पर ही हल करना है, प्रश्न-पुस्तिका पर नहीं। सभी प्रश्नों के अंक समान हैं।
3. प्रश्नों के उत्तर अंकित करने से पूर्व प्रश्न-पुस्तिका तथा OMR आन्सर-शीट को सावधानीपूर्वक देख लें। दोषपूर्ण प्रश्न-पुस्तिका जिसमें कुछ भाग छपने से छूट गए हों या प्रश्न एक से अधिक बार छप गए हों या उसमें किसी अन्य प्रकार की कमी हो, उसे तुरन्त बदल लें।
4. प्रश्न-पुस्तिका में प्रत्येक प्रश्न के चार सम्भावित उत्तर- A, B, C एवं D हैं। परीक्षार्थी को उन चारों विकल्पों में से सही उत्तर छँटना है। उत्तर को OMR उत्तर-पत्रक में सम्बन्धित प्रश्न संख्या में निम्न प्रकार भरना है :

*(शेष निर्देश अन्तिम पृष्ठ पर)*

1. Which assumption of the theory of firm is considered most unrealistic in real-world business?
  - (A) Rational decision-making
  - (B) Perfect knowledge
  - (C) Profit motive
  - (D) Scarcity of resources
2. The law of demand fails to operate under which situation?
  - (A) Inferior goods
  - (B) Normal goods
  - (C) Giffen goods
  - (D) Substitute goods
3. Which determinant causes a rightward shift of the demand curve for a normal good?
  - (A) Increase in price of the good
  - (B) Decrease in consumer income
  - (C) Increase in income
  - (D) Increase in production cost
4. Which elasticity concept is most relevant for pricing decisions?
  - (A) Income elasticity
  - (B) Cross elasticity
  - (C) Price elasticity
  - (D) Advertising elasticity
5. Demand is said to be perfectly inelastic when elasticity is equal to :
  - (A) Zero
  - (B) One
  - (C) Infinity
  - (D) Less than one
6. Which forecasting method is most suitable for long-term business planning?
  - (A) Survey method
  - (B) Time-series analysis
  - (C) Barometric technique
  - (D) Regression analysis
7. The major limitation of demand forecasting is that it :
  - (A) Is costly
  - (B) Is time-consuming
  - (C) Depends on uncertain future variables
  - (D) Requires mathematical tools
8. Accurate demand forecasting is significant because it helps management in :
  - (A) Eliminating competition
  - (B) Maximizing consumer surplus
  - (C) Production planning and inventory control
  - (D) Fixing government prices

9. The relationship between production and cost is such that when production increases with diminishing returns :
- (A) Marginal cost decreases
  - (B) Fixed cost increases
  - (C) Total cost decreases
  - (D) Marginal cost increases
10. What is 'Normal Profit'?
- (A) Profit above the market average
  - (B) Total revenue minus variable costs
  - (C) Profit after paying all dividends
  - (D) The minimum profit required to keep a firm in business
11. Which market structure features a 'Kinked Demand Curve'?
- (A) Monopoly
  - (B) Perfect Competition
  - (C) Oligopoly
  - (D) Monopolistic Competition
12. Profit Planning and Management primarily aims at :
- (A) Cost minimization only
  - (B) Increasing inventory levels
  - (C) Eliminating all competitors
  - (D) Wealth maximization of shareholders
13. In Perfect Competition, the demand curve for an individual firm is :
- (A) Downward sloping
  - (B) Upward sloping
  - (C) Perfectly vertical
  - (D) Perfectly horizontal
14. The 'Residual Claimant Theory' of wages was proposed by :
- (A) Adam Smith
  - (B) J.M. Keynes
  - (C) Alfred Marshall
  - (D) F.A. Walker
15. What is the effect of an increase in fixed costs on the Break-Even Point?
- (A) BEP increases
  - (B) BEP remains unchanged
  - (C) BEP decreases
  - (D) P/V ratio increases
16. Dynamics of Surplus refers to :
- (A) The stability of prices
  - (B) Reduction in total revenue
  - (C) Static market conditions
  - (D) Changes in consumer and producer surplus over time

17. Which theory links profit to unforeseen changes in the economy?
- (A) Dynamic Theory of Profit  
(B) Innovation Theory  
(C) Static Theory  
(D) Rent Theory
18. Marginal Revenue (MR) in Perfect Competition is equal to :
- (A) Total Cost  
(B) Market Price (P)  
(C) Average Fixed Cost  
(D) Variable Cost
19. Managerial Economics is closely related to which science for data analysis?
- (A) Biology  
(B) Statistics  
(C) Geology  
(D) Physics
20. Which factor is a determinant of demand?
- (A) Cost of production  
(B) Technology level  
(C) Consumer income  
(D) Number of suppliers
21. A Giffen good is an exception to the Law of Demand because :
- (A) Demand is perfectly elastic  
(B) Demand rises as price falls  
(C) Demand falls as price falls  
(D) It is a luxury item
22. Average Cost (AC) is calculated as :
- (A) Total Cost – Fixed Cost  
(B) Fixed Cost + Variable Cost  
(C) Total Cost / Quantity  
(D) Change in TC / Change in Q
23. When Marginal Cost is less than Average Cost :
- (A) Average Cost is falling  
(B) Average Cost is rising  
(C) Average Cost is at its minimum  
(D) Total Cost is decreasing
24. The U-shape of the Short-run Average Cost curve is explained by :
- (A) Law of Variable Proportions  
(B) Law of Demand  
(C) Economies of Scale  
(D) Perfect Competition
25. In a Monopoly market structure :
- (A) There are many sellers  
(B) Products have close substitutes  
(C) Entry is very easy  
(D) There is a single seller

26. Which factor does not directly influence the P/V ratio?
- (A) Sales volume
  - (B) Variable cost per unit
  - (C) Selling price per unit
  - (D) Product mix
27. What is the 'Margin of Safety'?
- (A) The amount of cash in the bank
  - (B) The difference between actual sales and break-even sales
  - (C) The profit earned at the break-even point
  - (D) The maximum capacity of the plant
28. Which relationship is correct regarding cost curves?
- (A) MC is always above AC
  - (B) AC cuts MC at its lowest point
  - (C) MC cuts AC at its lowest point
  - (D) TC is always below TVC
29. A 'Giffen Good' is an exception to the :
- (A) Law of Supply
  - (B) Law of Returns to Scale
  - (C) Law of Demand
  - (D) Law of Diminishing Utility
30. What is 'Cross Elasticity of Demand'?
- (A) Response of demand for one good to a change in price of another good
  - (B) Response of demand to a change in consumer income
  - (C) Response of price to a change in supply
  - (D) Total change in revenue
31. Managerial Economics is closely related to which mathematical science for optimization?
- (A) Sociology
  - (B) Operations Research
  - (C) Biology
  - (D) Political Science
32. Profit Planning involves :
- (A) Ignoring future costs
  - (B) Only looking at past performance
  - (C) Setting profit targets and identifying ways to achieve them
  - (D) Maximizing taxes
33. Which of the following is an example of an Implicit Cost?
- (A) Wages paid to labor
  - (B) Rent paid for a building
  - (C) Interest on the owner's own capital used in the business
  - (D) Raw material costs

34. The price elasticity of demand faced by a monopolist is :
- (A) Zero  
(B) Infinite  
(C) Greater than one  
(D) Less than one at all outputs
35. A monopolist will never produce in the region where demand is :
- (A) Elastic  
(B) Inelastic  
(C) Unit elastic  
(D) Perfectly elastic
36. Super-normal profit exists when :
- (A)  $AR = AC$   
(B)  $AR > AC$   
(C)  $AR < AC$   
(D)  $MC > MR$
37. Which profit concept includes opportunity cost?
- (A) Economic profit  
(B) Gross profit  
(C) Accounting profit  
(D) Net profit
38. In the long run, firms under monopolistic competition earn :
- (A) Normal profit  
(B) Monopoly profit  
(C) Super-normal profit  
(D) Loss
39. Which factor influences profit only in the short run?
- (A) Technology  
(B) Demand fluctuations  
(C) Market structure  
(D) Managerial efficiency
40. Producer surplus represents :
- (A) Profit after tax  
(B) Excess of revenue over variable cost  
(C) Difference between price and marginal cost  
(D) Total fixed cost
41. Which factor is paid first according to residual claimant theory?
- (A) Entrepreneur  
(B) Capital  
(C) Labour and other factors  
(D) Land
42. Which of the following highlights the interdisciplinary nature of managerial economics?
- (A) Use of elasticity  
(B) Integration of economics with management and accounting  
(C) Emphasis on consumer behavior  
(D) Dependence on price mechanism

43. Under Perfect Competition, a firm is a :
- (A) Price Maker
  - (B) Price Discriminator
  - (C) Price Taker
  - (D) Market Leader
44. In the long run, a firm in Perfect Competition earns :
- (A) Supernormal profit
  - (B) Normal profit
  - (C) Losses
  - (D) Monopoly profit
45. What is the primary feature of an Oligopoly?
- (A) Single seller
  - (B) Interdependence between firms
  - (C) No barriers to entry
  - (D) Large number of small firms
46. The 'Dynamics of Surplus' in profit theory refers to :
- (A) Stationary state profits
  - (B) Profits arising due to changes in a dynamic economy
  - (C) Excess supply of labor
  - (D) Fixed interest rates
47. Managerial economics helps in 'Decision Making' by providing :
- (A) Analytical tools and logical framework
  - (B) Historical data only
  - (C) Guaranteed success
  - (D) Legal advice
48. The relationship between Price and Quantity demanded is :
- (A) Direct
  - (B) Inverse
  - (C) Proportional
  - (D) Non-existent
49. Which of the following would cause a 'Shift' in the demand curve rather than a movement along it?
- (A) Change in product price
  - (B) Change in quantity supplied
  - (C) Change in consumer preferences
  - (D) Improvement in production technology
50. Demand forecasting for a new product is usually done through :
- (A) Test marketing or survey method
  - (B) Trend projection method
  - (C) Time series analysis
  - (D) Historical analogy

51. In monopoly, the demand curve faced by the firm is :
- (A) Perfectly elastic  
 (B) Perfectly inelastic  
 (C) Downward sloping  
 (D) Horizontal
52. Which of the following is not a feature of perfect competition?
- (A) Large number of buyers and sellers  
 (B) Product differentiation  
 (C) Free entry and exit  
 (D) Perfect knowledge
53. Marginal Cost can be mathematically expressed as :
- (A)  $TC \div Q$   
 (B)  $\Delta TC \div \Delta Q$   
 (C)  $TC - VC$   
 (D)  $AC - VC$
54. Which cost is most relevant for short-term output decisions?
- (A) Fixed cost  
 (B) Sunk cost  
 (C) Marginal cost  
 (D) Average fixed cost
55. Break-Even Point occurs at a level of output where :
- (A) Contribution equals fixed cost  
 (B) Marginal cost equals marginal revenue  
 (C) Sales equals variable cost  
 (D) Average cost is minimum
56. Contribution margin is useful because it helps in :
- (A) Cost control  
 (B) Price discrimination  
 (C) Break-even and profit planning  
 (D) Demand forecasting
57. Which factor does not influence P/V ratio?
- (A) Selling price  
 (B) Variable cost  
 (C) Sales volume  
 (D) Cost structure
58. Which cost curve intersects both AC and AVC at their minimum points?
- (A) AFC  
 (B) TC  
 (C) MC  
 (D) VC
59. In perfect competition, the firm's demand curve is perfectly elastic because :
- (A) Products are homogeneous  
 (B) Large number of buyers exist  
 (C) Price is determined by industry  
 (D) Firms aim at profit maximization

60. What is the primary focus of Managerial Economics?
- (A) Application of economic theory to business decision-making
  - (B) Historical study of economic systems
  - (C) Analysis of international trade treaties
  - (D) None of these
61. Which of the following describes the nature of Managerial Economics?
- (A) Purely theoretical
  - (B) Descriptive science only
  - (C) Independent of other sciences
  - (D) Pragmatic and applied
62. What does the 'Theory of the Firm' primarily assume as the objective of a business?
- (A) Social welfare maximization
  - (B) Revenue minimization
  - (C) Employee count maximization
  - (D) Profit or value maximization
63. According to the Law of Demand, what happens when the price of a product increases, ceteris paribus?
- (A) Demand increases
  - (B) Quantity demanded decreases
  - (C) Quantity demanded increases
  - (D) Supply decreases
64. What is 'Consumer Surplus'?
- (A) The amount of money consumers save by not buying a product
  - (B) The total profit made by a company from consumers
  - (C) Excess supply in the market
  - (D) The difference between what consumers are willing to pay and what they actually pay
65. If the price elasticity of demand is greater than 1, the demand is considered :
- (A) Elastic
  - (B) Unitary elastic
  - (C) Inelastic
  - (D) Perfectly inelastic
66. Which demand forecasting method involves asking experts for their opinions in multiple rounds?
- (A) Trend Projection
  - (B) Delphi Method
  - (C) Market Experimentation
  - (D) Regression Analysis

67. The Break-Even Point in units is calculated as :
- (A) Fixed Cost / Contribution per unit  
 (B) Variable Cost / Selling Price  
 (C) Total Cost / Total Units  
 (D) Profit / Contribution per unit
68. In the long run, all costs are :
- (A) Fixed  
 (B) Marginal  
 (C) Sunk  
 (D) Variable
69. What does 'Significance of Managerial Economics' include?
- (A) Helping in forward planning  
 (B) Simplifying complex business problems  
 (C) Providing tools for decision-making  
 (D) All of the above
70. Which market structure has 'price rigidity' as a common feature?
- (A) Monopoly  
 (B) Oligopoly  
 (C) Perfect Competition  
 (D) Monopsony
71. Economic Profit is calculated as :
- (A) Total Revenue-Explicit Costs  
 (B) Gross Profit-Taxes  
 (C) Total Revenue-Variable Costs  
 (D) Total Revenue-(Explicit + Implicit Costs)
72. A shift in the demand curve can be caused by a change in :
- (A) The price of the product itself  
 (B) The technology used in production  
 (C) Consumer income  
 (D) The cost of raw materials
73. The 'Survey Method' of demand forecasting is also known as :
- (A) Statistical Method  
 (B) Barometric Method  
 (C) Exponential Smoothing  
 (D) Opinion Polling Method
74. Which of the following is a limitation of Break-Even Analysis?
- (A) It ignores fixed costs  
 (B) It assumes selling price remains constant  
 (C) It is too complex for small businesses  
 (D) It only applies to monopolies

75. Which of the following is a determinant of demand?
- (A) Cost of production  
 (B) Number of suppliers  
 (C) Technology  
 (D) Price of related goods
76. A Monopoly firm will produce at the point where :
- (A) Marginal Revenue = Marginal Cost  
 (B) Price = Marginal Cost  
 (C) Total Revenue is minimized  
 (D) Average Cost is zero
77. A Managerial economics uses 'Microeconomics' to :
- (A) Analyze the whole economy  
 (B) Control inflation  
 (C) Study individual firm behavior and resource allocation  
 (D) Manage international debt
78. Which is an example of a Variable Cost?
- (A) Property taxes  
 (B) Salary of the CEO  
 (C) Raw material expenditure  
 (D) Insurance premiums
79. Income Elasticity of Demand for an inferior good is :
- (A) Negative  
 (B) Positive  
 (C) Zero  
 (D) Infinite
80. Total Cost (TC) is the sum of :
- (A) AC and MC  
 (B) TFC and TVC  
 (C) Price and Quantity  
 (D) Profit and Loss
81. 'Price Discrimination' is possible under which market structure?
- (A) Perfect Competition  
 (B) Monopsony  
 (C) Monopoly  
 (D) None of the above
82. The scope of Managerial Economics includes :
- (A) Demand Analysis  
 (B) Capital Management  
 (C) Profit Management  
 (D) All of the above
83. When the P/V ratio increases :
- (A) Variable costs increase  
 (B) The BEP increases  
 (C) Fixed costs decrease  
 (D) The BEP decreases

84. Which cost remains constant regardless of the level of output in the short run?
- (A) Marginal Cost  
(B) Variable Cost  
(C) Fixed Cost  
(D) Average Variable Cost
85. Marginal Cost (MC) is defined as :
- (A) Total cost divided by output  
(B) The change in total cost resulting from producing one additional unit  
(C) The sum of fixed and variable costs  
(D) The lowest possible cost of production
86. At the Break-Even Point (BEP) :
- (A) Profit is maximized  
(B) Fixed costs are zero  
(C) Variable costs are zero  
(D) Total Revenue equals Total Cost
87. How is the P/V ratio (Profit-Volume ratio) calculated?
- (A) Profit/Fixed Cost  
(B) Fixed Cost / Sales  
(C) (Sales-Variable Cost) / Sales  
(D) Total Cost / Sales
88. What happens to Average Fixed Cost (AFC) as output increases?
- (A) It increases  
(B) It remains constant  
(C) It first decreases then increases  
(D) It decreases continuously
89. Which market structure is characterized by many sellers and a homogeneous product?
- (A) Monopoly  
(B) Oligopoly  
(C) Monopolistic Competition  
(D) Perfect Competition
90. In a Monopoly, the firm is a :
- (A) Price taker  
(B) Quantity taker  
(C) Price maker  
(D) Market follower
91. Which theory suggests profit is a reward for the services of the factor 'entrepreneur' after paying all other factors?
- (A) Residual Claimant Theory  
(B) Risk-bearing Theory  
(C) Innovation Theory  
(D) Dynamic Theory

92. Opportunity Cost is :
- (A) The cost of the next best alternative foregone
  - (B) The actual money spent
  - (C) The cost of marketing
  - (D) The interest paid on loans
93. The Break-Even chart shows the relationship between :
- (A) Supply and Demand
  - (B) Price and Demand
  - (C) Cost, Volume, and profit
  - (D) Fixed Cost and Variable Cost
94. A Monopoly firm can determine :
- (A) Both price and quantity independently
  - (B) Only the market demand
  - (C) Neither price nor quantity
  - (D) Only price or quantity, but not both
95. In Monopolistic Competition, products are :
- (A) Differentiated
  - (B) Identical
  - (C) Unique with no substitutes
  - (D) Perfectly elastic
96. 'Innovation Theory of Profit' was proposed by :
- (A) F.B. Hawley
  - (B) Frank Knight
  - (C) Joseph Schumpeter
  - (D) David Ricardo
97. Normal profit is considered part of :
- (A) Total Revenue
  - (B) Total Cost
  - (C) Supernormal Profit
  - (D) Taxes
98. Which of the following best explain the normative role of managerial economics?
- (A) It explains what is
  - (B) It predicts future market behavior
  - (C) It suggests *what ought to be done*
  - (D) It studies past economic trends
99. Elasticity of demand measures :
- (A) Total change in demand
  - (B) Rate of change in demand due to time
  - (C) Responsiveness of demand to price change
  - (D) Difference between supply and demand
100. The U-shape of average cost curve is mainly due to :
- (A) Law of Supply
  - (B) Law of Demand
  - (C) Law of Diminishing Returns
  - (D) Law of Increasing Returns only

**Rough Work / रफ कार्य**

**Example :**

**Question :**

Q.1 (A) ● (C) (D)

Q.2 (A) (B) ● (D)

Q.3 (A) ● (C) (D)

5. Each question carries equal marks. Marks will be awarded according to the number of correct answers you have.
6. All answers are to be given on OMR Answer Sheet only. Answers given anywhere other than the place specified in the answer sheet will not be considered valid.
7. Before writing anything on the OMR Answer Sheet, all the instructions given in it should be read carefully.
8. After the completion of the examination, candidates should leave the examination hall only after providing their OMR Answer Sheet to the invigilator. Candidate can carry their Question Booklet.
9. There will be no negative marking.
10. Rough work, if any, should be done on the blank pages provided for the purpose in the booklet.
11. To bring and use of log-book, calculator, pager & cellular phone in examination hall is prohibited.
12. In case of any difference found in English and Hindi version of the question, the English version of the question will be held authentic.

**Imp.** On opening the question booklet, first check that all the pages of the question booklet are printed properly. If there is any discrepancy in the question Booklet, then after showing it to the invigilator, get another question Booklet of the same series.

**उदाहरण :**

**प्रश्न :**

प्रश्न 1 (A) ● (C) (D)

प्रश्न 2 (A) (B) ● (D)

प्रश्न 3 (A) ● (C) (D)

5. प्रत्येक प्रश्न के अंक समान हैं। आपके जितने उत्तर सही होंगे, उन्हीं के अनुसार अंक प्रदान किये जायेंगे।
6. सभी उत्तर केवल ओ०एम०आर० उत्तर-पत्रक (OMR Answer Sheet) पर ही दिये जाने हैं। उत्तर-पत्रक में निर्धारित स्थान के अलावा अन्यत्र कहीं पर दिया गया उत्तर मान्य नहीं होगा।
7. ओ०एम०आर० उत्तर-पत्रक (OMR Answer Sheet) पर कुछ भी लिखने से पूर्व उसमें दिये गये सभी अनुदेशों को सावधानीपूर्वक पढ़ लिया जाये।
8. परीक्षा समाप्ति के उपरान्त परीक्षार्थी कक्ष निरीक्षक को अपनी OMR Answer Sheet उपलब्ध कराने के बाद ही परीक्षा कक्ष से प्रस्थान करें। परीक्षार्थी अपने साथ प्रश्न-पुस्तिका ले जा सकते हैं।
9. निगेटिव मार्किंग नहीं है।
10. कोई भी रफ कार्य, प्रश्न-पुस्तिका में, रफ-कार्य के लिए दिए खाली पेज पर ही किया जाना चाहिए।
11. परीक्षा-कक्ष में लॉग-बुक, कैल्कुलेटर, पेजर तथा सेल्युलर फोन ले जाना तथा उसका उपयोग करना वर्जित है।
12. प्रश्न के हिन्दी एवं अंग्रेजी रूपान्तरण में भिन्नता होने की दशा में प्रश्न का अंग्रेजी रूपान्तरण ही मान्य होगा।

**महत्वपूर्ण:** प्रश्नपुस्तिका खोलने पर प्रथमतः जाँच कर देख लें कि प्रश्नपुस्तिका के सभी पृष्ठ भलीभाँति छपे हुए हैं। यदि प्रश्नपुस्तिका में कोई कमी हो, तो कक्षनिरीक्षक को दिखाकर उसी सिरीज की दूसरी प्रश्नपुस्तिका प्राप्त कर लें।