



**K. K. Wagh Institute of Engineering Education and Research,  
Nashik**

(An Autonomous Institute from A. Y. 2022-23)

**Marking Scheme  
End-Sem Examination-I, Winter 2025**

Academic Year: 2025-2026	Semester: I
Class: FY	Program: MBA
Branch Code: 10	Pattern: 2024
Name of Course: Business Economics	Course Code: 2410505

Q. No.	Details	Max. Marks	CO No.	BT Level																		
Q.1	<p>Explain the central economic problems faced by an economy.</p> <p><b>Identification of problems (What, How, For whom, How much, Growth): 3 marks</b>  <b>Explanation with clarity/examples: 3 marks</b></p>	[6]	CO1	L3																		
Q.2	<p>Explain the use of Break Even point concept. Also find out Break-even quantity and demand for below functions.</p> <p><math>D = 500 - 40Q</math>  <math>S = 400 + 10Q</math>            Where,  <math>D =</math> Demand  <math>S =</math> Supply  <math>Q =</math> Quantity</p> <p><b>Concept explanation (definition, importance): 2 marks</b>  <b>Correct equilibrium calculation (<math>Q = 2</math>): 2 marks</b>  <b>Demand calculation at <math>Q=2</math> (420): 2 marks</b></p>	[6]	CO2	L4																		
Q.3	<p>a) Illustrate production function and explain the law of diminishing of returns with the help of an example.</p> <p><b>Definition of production function: 2 marks</b>  <b>Explanation of law/expansion path: 3 marks</b>  <b>Example/diagram/application: 3 marks</b></p> <p><b>OR</b></p> <p>b) Apply the concept of the expansion path to explain how firms adjust inputs for optimum output.</p> <p>c) Calculate the blanks with proper explanation.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 15%;">Units of Labor</th> <th style="width: 15%;">Work Done</th> <th style="width: 15%;">Cost</th> <th style="width: 15%;">MP<sub>L</sub></th> <th style="width: 15%;">MRP<sub>L</sub></th> <th style="width: 15%;">MRC<sub>L</sub></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">10</td> <td style="text-align: center;">10</td> <td style="text-align: center;">100</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">20</td> <td style="text-align: center;">30</td> <td style="text-align: center;">150</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Units of Labor	Work Done	Cost	MP <sub>L</sub>	MRP <sub>L</sub>	MRC <sub>L</sub>	10	10	100				20	30	150				[16]	CO3	L3
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	30	50	250																																				
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	<p>If MR = 100</p> <p><b>MPL = 2 Marks</b>  <b>MRPL = 1 Mark</b>  <b>MRCL = 2 marks</b>  <b>Formulas = 3 Marks</b></p> <p><b>OR</b></p> <p>d) Calculate the blanks with proper explanation.</p> <table border="1" style="width:100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width:12.5%;">Units of Labor</th> <th style="width:12.5%;">Units of Capital</th> <th style="width:12.5%;">Work Done</th> <th style="width:12.5%;">MP<sub>L</sub></th> <th style="width:12.5%;">AP<sub>L</sub></th> <th style="width:12.5%;">MRTS</th> </tr> </thead> <tbody> <tr><td style="text-align:center;">5</td><td style="text-align:center;">10</td><td style="text-align:center;">200</td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;">10</td><td style="text-align:center;">20</td><td style="text-align:center;">400</td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;">15</td><td style="text-align:center;">30</td><td style="text-align:center;">600</td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;">20</td><td style="text-align:center;">40</td><td style="text-align:center;">800</td><td></td><td></td><td></td></tr> </tbody> </table> <p><b>MPL = 2 Marks</b>  <b>APL = 1 Mark</b>  <b>MRTS = 2 marks</b>  <b>Formulas = 3 Marks</b></p>									Units of Labor	Units of Capital	Work Done	MP <sub>L</sub>	AP <sub>L</sub>	MRTS	5	10	200				10	20	400				15	30	600				20	40	800			
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<b>Q.4</b>	<p>a) Analyse how price and output are determined under perfect competition market.</p> <p><b>Features of Perfect competition: 3 Marks</b>  <b>Examples: 2 Marks</b>  <b>Price and output determination strategy: 3 Marks</b></p> <p>b) Analyse the role of cartels and collusions in Oligopoly market. Also write down difference between Cartels and Collusion.</p> <p><b>Cartels: 2 Marks</b>  <b>Collusion: 2 Marks</b>  <b>Difference: 3 Marks</b>  <b>Example: 1 Mark</b></p>									[16]	CO4	L4																											
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	<p><b>VC + TC = 2 Marks</b>  <b>AFC, AVC MC = 2 marks each</b>  <b>1 Mark for formula and 1 for calculation</b>  <b>OR</b></p> <p>d) Analyse the table and fill in the blanks with proper explanation.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th>Output</th> <th>Fixed Cost</th> <th>Variable Cost</th> <th>Total Cost</th> <th>AFC</th> <th>AVC</th> <th>Marginal Cost</th> </tr> </thead> <tbody> <tr> <td>50</td> <td>100</td> <td></td> <td>200</td> <td></td> <td></td> <td></td> </tr> <tr> <td>100</td> <td>100</td> <td></td> <td>180</td> <td></td> <td></td> <td></td> </tr> <tr> <td>150</td> <td>100</td> <td>100</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>200</td> <td>100</td> <td>150</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p><b>VC + TC = 2 Marks</b>  <b>AFC, AVC MC = 2 marks each</b>  <b>1 Mark for formula and 1 for calculation</b></p>										Output	Fixed Cost	Variable Cost	Total Cost	AFC	AVC	Marginal Cost	50	100		200				100	100		180				150	100	100					200	100	150				
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<b>Q.5</b>	<p>a) Evaluate the role of monetary policy in controlling inflation.</p> <p><b>Definition &amp; objectives: 2 marks</b>  <b>Tools/mechanism explained: 3 marks</b>  <b>Evaluation of effectiveness/limitations: 3 marks</b></p> <p><b>OR</b></p> <p>b) Evaluate the effectiveness of fiscal policy in stabilizing economic fluctuations.</p> <p><b>Definition &amp; objectives: 2 marks</b>  <b>Tools/mechanism explained: 3 marks</b>  <b>Evaluation of effectiveness/limitations: 3 marks</b></p>										[16]	CO5	L5																																
	<p>c) Critically evaluate the challenges in measuring national income in developing economies.</p> <p><b>Identification of key challenges/indicators: 4 marks</b>  <b>Explanation with examples (India context): 3 marks</b>  <b>Critical evaluation/significance: 1 mark</b></p>											CO5	L5																																



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	<p><b>OR</b></p> <p>d) Evaluate the significance of key economic indicators in assessing India's economic performance.</p> <p><b>1 mark for each indicattor</b></p>			
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