NMIMS Global Access

School for Continuing Education (NGA-SCE)

Course: Business Economics

Internal Assignment Applicable for December 2022 Examination

Assignment Marks: 30

Instructions:

- *All Questions carry equal marks.*

- *All Questions are compulsory*

- *All answers to be explained in not more than 1000 words for question 1 and 2 and for question 3 in not more than 500 words for each subsection. Use relevant examples, illustrations as far as possible.*

- *All answers to be written individually. Discussion and group work is not advisable.*

- *Students are free to refer to any books/reference material/website/internet for attempting their assignments, but are not allowed to copy the matter as it is from the source of reference.*

- *Students should write the assignment in their own words. Copying of assignments from other students is not allowed.*

- *Students should follow the following parameter for answering the assignment questions.*

For Theoretical Answer	
Assessment Parameter	**Weightage**
Introduction	20%
Concepts and Application related to the question	*60%*
Conclusion	*20%*

For Numerical Answer	
Assessment Parameter	**Weightage**
Understanding and usage of the formula	20%
Procedure / Steps	*60%*
Correct Answer & Interpretation	*20%*

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1. Demand forecasting in an organisations plays a vital role in business organisations. It provides reasonable data for the organization's capital investment and expansion decision. Keeping the above statement in consideration. Discuss the various steps involved in demand forecasting **(10 Marks)**

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2. From the given hypnotical table Calculate Total Cost, Average Fixed Cost, Average Variable cost and Marginal Cost. **(10 Marks)**

Quantity	Total Fixed Cost	Total Variable Cost	Total Cost	Average Fixed Cost	Average Variable Cost	Average Total Cost	Marginal Cost
0	100	0					
1	100	20					
2	100	30					
3	100	40					
4	100	50					
5	100	60					

3. a. Suppose the monthly income of an individual increases from Rs 20,000 to Rs 25,000 which increases his demand for clothes from 40 units to 60 units. Calculate the income elasticity of demand. **(5 Marks)**

3. b. Assume that a business firm sells a product at the price of Rs 500. The firm has decided to reduce the price of the product to Rs 400. Consequently, the demand for the product is raised from 20,000 units to 25,000 units. Calculate the price elasticity of demand. **(5 Marks)**

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