

Enrollment No./Seat No.:

GUJARAT TECHNOLOGICAL UNIVERSITY
Bachelor of Vocation - SEMESTER - II EXAMINATION - SUMMER 2025

Subject Code: BV02006031

Date: 30-05-2025

Subject Name: Business Economics For Entrepreneurs-2

Time:10:30 AM TO 12:30 PM

Total Marks: 50

Instructions

- 1. Attempt all questions.**
- 2. Make Suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. Use of simple calculators and non-programmable scientific calculators are permitted.**

	Marks
Q.1 (a) Define and discuss the four major factors of production.	05
(b) Illustrate how production decisions vary in different industries.	05
Q.2 (a) Explain the Law of Variable Proportions with an example.	05
(b) Discuss the assumptions of the Law of Diminishing Returns.	05
OR	
(b) How does the Law of Diminishing Returns apply in agriculture?	05
Q.3 (a) Differentiate between short-run and long-run costs.	05
(b) Explain total cost, average cost, and marginal cost.	05
OR	
(a) What is the break-even point? Explain its relevance.	05
(b) Discuss the behavior of cost curves in the short run.	05
Q.4 (a) Explain the four main phases of a business cycle with a diagram.	05
(b) Describe the impact of business cycles on employment and income.	05
OR	
(a) Differentiate between recession and depression.	05
(b) What is the importance of understanding business cycles for entrepreneurs?	05
Q.5 (a) Illustrate how production decisions vary in different industries.	05
(b) What is production optimization? Why is it important?	05
OR	
(a) Define sunk cost with an example. Why is it ignored in decisions?	05
(b) Explain the behavior of investors during recovery phase of the business cycle.	05
