

(2½ Hours)

[Total Marks 75]

- N.B.** 1) All questions are Compulsory.  
 2) Figures to the right indicate marks.  
 3) Draw diagrams wherever necessary.

**1. a) State whether the following statements are True or False (Any Eight) :-**

08

- 1) Extension in Demand and increase in demand means the same.
- 2) When demand is perfectly elastic the demand curve will be a vertical straight line.
- 3) Isoquants normally intersect Y axis.
- 4) Economies of scale lead to reduction in cost of production.
- 5) At break even point the firms total revenue is maximum.
- 6) Perfectly competitive firm is a price taker.
- 7) Selling cost is a unique feature of Monopolistic competition.
- 8) Cartel formation helps the oligopoly firms to avoid competition.
- 9) Price discrimination exists only in a Monopoly Market.
- 10) Cost plus pricing is also called as Mark up pricing.

**b) Match the following (Any Seven) :-**

07

Group A	Group B
1) Oligopoly	i) Negation of Competition
2) No Consumer Surplus	ii) Few sellers.
3) Monopoly	iii) 1st Degree of Price Discrimination
4) $MC = MR$	iv) $Q = f(P)$
5) Long Run Average Cost Curve	v) $TC/n$
6) Division of Labour	vi) $TR_n - TR_{(n-1)}$
7) Composite Demand	vii) Equilibrium of a firm
8) Demand function	viii) Envelopes Curve
9) Average cost	ix) Internal Economies to scale.
10) Marginal Revenue	x) Electricity

TURN OVER

2. a) Explain with the help of diagram different types of Price elasticities of demand. 08

b) What are the steps involved in Demand forecasting? Explain briefly. 07

**OR**

2. c) Enumerate the importance of Demand forecasting. 08

d) What are the factors determining elasticity of Demand? Explain. 07

3. a) What is an Isoquant? Explain its properties using diagrams? 08

b) Discuss briefly the Law of variable properties. 07

**OR**

3. c) Explain different types of Internal and External economies to scale. 08

d) The total fixed cost incurred by a firm is Rs.1000/-. Calculate TC, AC and VC from the following data : 07

Unit	1	2	3	4	5	6	7	8
MC	100	200	300	400	500	600	700	800

4. a) Explain the concept of Kinky Demand curve. 08

b) Diagrammatically explain the concept of Break even Point Analysis. 07

**OR**

4. c) Explain the concept of Long - run Equilibrium of a firm in perfect competition, with the features of perfect competition market structure. 08

d) Explain the features of monopolistic competition. 07

**TURN OVER**

5. a) Explain the concept of Long Run Average Cost? Also explain the relationship between AC & MC. 15

OR

5. b) Write short notes on (Any Three) :-

15

- 1) Price Discrimination
- 2) Law of Demand
- 3) Opportunity Cost
- 4) Mark up Pricing
- 5) Dumping

\*\*\*\*\*