

Marks: 75

Duration: 2 ½ hrs

Note: All Questions are compulsory.

Q1.A Select the correct alternative and rewrite the statements. (ANY 8)

08

1. When price of a commodity increases, the _____ also increases.
 - a. stock,
 - b. supply
 - c. agricultural
 - d. commodity
2. _____ will succeed only when demand for exports and import is elastic.(devaluation, evaluation, rotational, fixed)
 - a. devaluation
 - b. evaluation
 - c. rotational
 - d. fixed
3. Under perfect competition AR is equal to _____.
 - a. MR
 - b. AR
 - c. TC
 - d. MC
4. The economic problem arises only because wants are _____.
 - a. limited
 - b. unlimited
 - c. desire
 - d. demand
5. Extension and contraction can be shown on the _____ demand curve.
 - a. different
 - b. same
 - c. Together
 - d. simultaneous
6. The point of tangency between iso -cost line and iso-quant is the point of _____.
 - a. Producers equilibrium
 - b. downwards
 - c. negative
 - d. positive
7. In the long run production function all factors are _____.
 - a. variable
 - b. two
 - c. infinite
 - d. zero
8. _____ Market is theoretical concept.
 - a. perfect
 - b. demand
 - c. elasticity
 - d. opportunity
9. Under oligopoly the number of firms are _____.
 - a. few
 - b. high
 - c. large
 - d. equilibrium
10. Monopoly is a complete negation of _____.
 - a. Competition
 - b. Price maker
 - c. Long run equilibrium
 - d. Perfectly elastic

Q1.B State whether the following statements are true or false (ANY 7)

07

1. Factor of production are perfect substitutes for each other
2. Isoquants normally intersect 'y' axis.
3. Relatively inelastic demand is represented by a vertical demand curve.
4. The law of variable proportions explains short run production function.
5. Average cost increases due to increasing return to scale.

6. Competition among the few emerges as the leader.
7. Kinked demand curve is found in oligopoly market structure.
8. Price rigidity is a feature of oligopoly.
9. ~~Relatively inelastic demand is represented by a vertical demand curve.~~
Demand for a commodity is only the desire for the commodity
10. In the long run all factors can be varied.

- Q.2 A** Define the term Business Economics and discuss the importance of Business Economics **08**
- B** Explain the term Law of supply and discuss its exceptions of law of supply. **07**

OR

- Q.2 C** Explain the term Business Economics and its basic economic relations **08**
- D** Explain the Income Elasticity of Demand and types of Income elasticity of Demand **07**

- Q.3 A** Explain the meaning of Demand Forecasting and types of Demand forecasting. **08**
- B** What is Production Function and explain its features. **07**

OR

- Q.3 C** Explain the term Economics of Scale and forms of External Economics. **08**
- D** Explain the concept of Learning Curve. **07**

- Q.4 A** Find out Price elasticity of demand from the following **08**

	Price (Rs)	Quantity Demanded(units)
Original	10	100
New	08	125

- B** What are Break Even Analysis and what re the limitations of Break-even analysis? **07**

OR

- Q.4 C** Explain the merits and demerits of Advertisement under Monopolistic Competition. **08**
- D** Explain the term short run equilibrium under Monopoly Market with Diagram. **07**

- Q.5A** What is Oligopoly market and explain the features of Oligopoly **08**
- B** Explain the term long run equilibrium under Perfect Competition with diagram. **07**

OR

- Q.5 Write Short Notes** **15**

1. Incrementalism concept
2. Price discrimination
3. Survey Method
4. Increase and Decrease in Demand
5. Law of Demand