

RMABIE1223

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.
  - 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 07) 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. At break-even point, price is equal to average variable cost.
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 of production function. **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 is Break Even Analysis? What are the limitations of Break-even analysis? **07**

**OR**

**Q.4 C** Explain the features of Perfect Competition. **08**

**D** Explain the term Short run equilibrium under Monopoly Market of Normal Profit with Diagram. **07**

**Q.5A** What is Oligopoly market and explain the features of Oligopoly **08**

**B** Explain the merits and demerits of Advertisement under Monopolistic Competition. **07**

**OR**

**Q.5** Write Short Notes (ANY 3) **15**

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