Q.P. Code :00784

[Time: $2\frac{1}{2}$ Hours] [ Marks:75]

**Please check whether you have got the right question paper.**

N.B:
1. All Questions are compulsory.
2. Figures to right indicate full marks.
3. Draw diagrams wherever necessary

**Q.1 a)** State whether the following statements are True or False. (Any Eight) (08)
1) Microeconomics deals with the analysis of national income.
2) Extension and contraction can be shown on the same demand curve.
3) Regression method forecasts demand accurately.
4) Cross elasticity of demand for substitutes is positive.
5) A technically efficient- production function indicates absence of wastage of resources.
6) External economies may occur due to division of labour.
7) Demand curve of a monopolist is sloping upward from left to right.
8) Price is very flexible in oligopoly.
9) Dumping is known as international price discrimination.
10) Full cost pricing method has certain limitation.

**b)** Match the following (Any Seven) (07)

| Group A | Group B |
|---|---|
| 1) Equations | a) Shut down point |
| 2) Negative income effect | b) Substitutes |
| 3) Demand forecasting | c) External economies |
| 4) Positive cross elasticity of demand | d) Mathematically express functions |
| 5) Iso-cost line | e) Prof. Paul Sweezy |
| 6) Localisation economies | f) Inferior goods |
| 7) TVC = TR | g) Determined by govt |
| 8) kinked demand curve | h) Survey method |
| 9) Administered Pricing | i) Cost incurred on additional unit |
| 10) Marginal cost pricing | j) Budget line |
| | k) Hall and Hitch |
| | l) Complementary |

**Q.2 a)** Explain the different types of income elasticity of demand. (08)

**b)** Describe in detail the different methods of demand forecasting. (07)

**OR**

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c) The demand function for commodity wheat is given by $Q_{dw} = 100 - 5_{pw}$. The price of wheat is given in below table. -

| Price of wheat (Rs.) | Quantity demanded (kg) |
|---|---|
| 2 | |
| 4 | |
| 6 | |
| 8 | |

Answer the following questions:-
1) Calculate quantity of demand for wheat at given prices. **(03)**
2) With the help of above demand Schedule draw the demand curve. **(02)**
3) Calculate price elasticity of demand when price changes from Rs 4 to Rs 8. **(03)**

d) Explain the relationship between AR and MR curves under monopoly. **(07)**

**Q.3** a) Discuss the laws of returns to scale in detail. **(08)**

b) Explain the various types of external economies of scale. **(07)**

**OR**

c) Given TFC as Rs 150, Calculate TC, ATC, AFC and MC from the information given below. **(08)**

| Units | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|
| TVC | 35 | 60 | 80 | 110 | 160 | 230 |

d) What is Break even point? Explain the business application of Break even analysis. **(07)**

**Q.4** a) Explain long run equilibrium of a firm under the monopolistic competitive market. **(08)**

b) Distinguish between perfect competition and monopoly. **(07)**

**OR**

c) What is perfect competition and what are its features? **(08)**

d) What is price leadership? Explain the types of price leadership. **(07)**

**Q.5** a) Define price discrimination. What are the various forms of price discrimination? **(08)**

b) What is multiproduct pricing? How is it done? **(07)**

**OR**

**Q.5** Write short Notes: (Any Three) **(15)**
1) Production Possibility Curve
2) Factors affecting demand
3) Promotional elasticity of demand
4) Types of Production function
5) Cartel formation