

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

- c) The demand function for commodity wheat is given by $Q_{dw} = 100 - 5P_w$. 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