

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

**Q.P. Code :00784**

- 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