Note : 1) All Questions are compulsory.
      2) Figures to the right indicate **Full** marks.
      3) Draw neat diagrams wherever necessary.
      4) Use only simple calculator.

Q.1 a) State whether the following statements are True or False. (Any Eight)   **08 M**
1) An equation is true only for a specific value.
2) A variable is an identity whose quantity can change over specified time period.
3) Demand curve always slopes upward.
4) Geometric method measures the elasticity of demand at a point on the demand curve.
5) The concept of iso-quants is used to explain the expansion path.
6) Economies of scale help to reduce the cost of production.
7) A monopoly firm and industry are identical.
8) A firm under perfect competition incurs heavy selling cost.
9) Under marginal cost pricing, prices are determined on the basis of fixed cost only.
10) Today firms produce a variety of product rather than a single product.

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

Group 'A'	GROUP 'B'
1. Graphs	a. Positive sloped demand curve
2. Business Economics	b. ED<1
3. Inferior Goods	c. Declines as production increases
4. Relatively elastic demand	d. Accounting cost
5. Negative Marginal return	e. Relative abundance of variables.
6. Explicit cost	f. Geometrical tool to study functions
7. MC = AC	g. Third degree price discrimination
8. Break event point	i. TR = TC
9. Oligopoly	j. Application of economic theory
10. Different price in different market	k. EP>1
	l. First degree price discrimination

Q.2.   **07 M**
a) Explain the nature of demand curve in different markets.
b) What is demand forecasting? Explain the survey method of demand   **08 M**
    forecasting.
<div align="center">OR</div>

                                                     07 M
c) What is an Iso-quant? Explain its properties using diagrams.
d) The demand schedule for an industry in a purely competitive market is given   **08 M**
    as follows -
         $Q = 500 - 3P$
The short-run supply schedule of the industry is a follows :-
         $Q = -3 + 8P$
Questions : 1. What is the equilibrium price and quantity in the market.
              2. What is the total expenditure incurred by the consumer?
                3. Calculate the total revenue of the firm.

Q.3.   **07 M**
a) Explain the law of returns to scale in detail.   **08 M**
b) Discuss the types of external economies of scale.
<div align="center">OR</div>

c) The total fixed cost incurred by a firm is Rs.1000/-, calculate TC, AC, AFC, **08 M**
TVC and AVC from the following data.

UNIT	1	2	3	4	5	6	7	8
MC	100	200	300	400	500	600	700	800

d) Explain with the help of diagram the concept of break-even analysis. **07 M**

Q.4.

a) Explain the short-run equilibrium of price and output of the industry under **08 M**
monopolistic competition.

b) Discuss the wastes of monopolistic competition. **07 M**

OR

c) Discuss the various types of price leadership. **08 M**

d) Explain the concept of transfer pricing without external market. **07 M**

Q.5.

a) What is price rigidity? Discuss it with the help of suitable diagram. **08 M**

b) Discuss the merits and demerits of full cost pricing. **07 M**

OR

Q.5. Write short notes on (Any Three) : **15 M**

1. Expansion Path
2. Ridge Lines
3. Kinky demand curve
4. Income elasticity of demand
5. Business Economics

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