DURATION: - 3hour   213291123   MARKS:- 100

Note: - (1) All questions are compulsory.
(2) All questions carry equal marks.
(3) Figures to the right indicates full marks.

Q1A) Select the best answer from the given options and rewrite the statement (Any Ten)
(CO2, CO3, U, R, AP, AN)   **(10M)**

1) The law of demand is illustrated by a demand curve that is _____
   a) Horizontal
   b) Vertical
   c) Upward sloping
   d) Downward sloping

2) When marginal values are less than average values _____
   a) Average will rise
   b) Average will fall
   c) Average will be 1
   d) Average will remain constant

3) The income effect of a price change is _____
   a) always positive
   b) always negative
   c) may be positive or negative
   d) caused by changes in consumer taste

4) _____ method is used to bridge the opinions given by different experts
   a) Delphi
   b) Trend Analysis
   c) Sample survey
   d) Expert opinion.

5) A kinked iso-quant indicates _____
   a) limited substitutability of factors
   b) continuous substitutability of factors
   c) Zero substitutability of factors
   d) perfect substitutability of factors

6) In the short run, increasing marginal returns take place due to _____
   a) variability of all factors
   b) abundance of fixed fact
   c) abundance of variable factors
   d) economic of scale

7) In the short run, a firm's fixed cost _____
   a) is zero
   b) will always have to be incurred
   c) can be zero if production is zero
   d) will decline with every increase in output.

8) The slope of the total cost curves equals _____
   a) average variable cost
   b) marginal cost
   c) average cost
   d) marginal physical products

9) At the shut down point, price is equal to average _____ cost.
   a) fixed   b) variable   c) above   d) below.

10) price elasticity at a given price is not affected by _____
   a) availability of substitutes
   b) nature of commodity
   c) a change in supply
   d) proportion of consumers' income spent on the commodity

11) _____ revenue is total sale of certain amount of commodity at a given time
   a) Total   c) Incremental
   b) marginal   d) Average

12) Negative marginal returns occur due to _____
   a) Relative abundance of fixed factors
   b) Relative abundance of variable factor
   c) Scarcity of fixed and variable factors.
   d) Relative scarcity of variable factors.

Q1B) State whether the following statements are true or false (any 10)
                                           (CO2, CO3,4,U,AP.AN)   **(10M)**

1) When there is shortage in the market, price has a tendency to rise.
2) An exogenous variable is within an economic model.
3) Passive forecasts take into account future change.
4) Income elasticity of demand for all normal goods is a be negative
5) An isoquant has a negative slope
6) The law of variable proportions explains return to all factors of production
7) Marginal cost and incremental cost are conceptually the same.
8) An increase in price will decrease the break even point
9) MC is independent of fixed cost
10) The expert opinion method generates accurate demand forecast
11) The most important determinate of price elasticity is the price of other goods
12) In case of decrease in supply, demand being the same, the price will fall.

Q2) Attempt A and B OR C and D   **(15M)**
A) Explain the scope of Business economics   (CO2-U,R, AP,R)   **(7M)**
B) Given the following data calculate TR, AR and MR. Explain the relationship between
    (a)TR and MR. (b) AR and MR   (CO2-U, AN,AP,R)   **(8M)**

Output (Unit)	1	2	3	4	5	6	7
Price	20	20	20	20	20	20	20

OR

C) Define demand and state the main determinants of demand   (CO2-U,AP,R,AN)**(7M)**
D) Explain Individual and market supply with schedule and diagram (CO2,U,R,C,AP) **(8M)**

Q3) Attempt A and B OR C and D   **(15M)**
A) Discuss the factors affecting price elasticity of demand   (CO2,U,R, AN AP)   **(8M)**
B) What are the different types of demand forecasting   (CO2,U,R,CR,E)   **(7M)**
                                OR
A) Explain the importance of demand   (CO2,U,R,AN,AP)   **(8M)**
B) What are the different methods of measuring elasticity of demand?(CO2-U,R,AP,C,E)**(7M)**

Q4) Attempt A and B OR C and D   **(15M)**

A) What are the different types of iso-quant   (CO2-AN, E)   **(8M)**

B) What are the different types of production function   (CO2-AP,E)   **(7M)**

OR

C) Explain fully the external economies and diseconomies of scale (CO2,R,U,AP R) **(8M)**

D) The following table shows total product of a firm due to increase in labour input used in combination with a fixed input of capital   (CO2-R, U,AP,R) **(7M)**

Labour Input (Units)	0	1	2	3	4	5
Total Product (Units)	0	50	110	180	240	270

i. Calculate average product and marginal product

ii. In which stage will a rational producer operate? Justify your answer.

Q5) Attempt A and B OR C and D   **(15M)**

A) Explain the different types of cost concepts (CO2,CR,E)   **(8M)**

B) Given TFC as ₹145, calculate T.C, ATC ,AVC, AFC and MC from the information given below   (CO2-AN, AP, CR)   **(7M)**

Units	1	2	3	4	5	6
TVC	30	55	75	105	155	225

OR

C) What is break-even point? How is break-even determined?   (CO2-AP,R)   **(8M)**

D) Explain the relationship between AC,AFC, AVC and MC   (CO2,AP,CR,E)   **(7M)**

Q6) Attempt A and B or write short notes on any four   **(20M)**

A) Explain nature of demand curve under different market.   (CO2, R,U,AP)   **(10M)**

B) Explain the importance of demand forecasting   (CO2-AN,AP,R)   **(10M)**

OR

Write short notes on any four of the following   (CO2, U, R, CR,AP,E)   **(20M)**

I) Different properties of iso-quant.

II) Explain market demand with schedule

III) Importance of demand forecasting

IV) Kinds of internal diseconomies of scale.

V) Types of price elasticity of demand

VI) Assumptions of break- even point.

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