

Time : 2 Hours

Total Marks: 60

N.B. 1. All questions are compulsory.

2. Figures to the right indicate full marks
3. Draw neat diagrams wherever necessary

1. (a) Explain the concepts of Snob appeal and Veblen effect. (8)
(b) Derive a demand curve with the help of price consumption curve. (7)

OR

- (c) Discuss the minimum wage controversy (8)
(d) Explain the paradox of bumper harvest (7)

2. (a) Explain the law of variable proportions with suitable illustration. (8)
(b) Explain the derivation of average cost curve in the long period. (7)

OR

- (c) Explain production function with two variable inputs and show economic region of production with the help of ridge lines. (8)
(d) Discuss the least cost factor combination with the help of suitable diagram. (7)

3. (a) What is market structure? Enumerate the sources of market power. (8)
(b) Explain with suitable diagram profit maximisation under discriminating monopoly. (7)

OR

- (c) Discuss in detail the broad features of monopolistic competition. (8)
(d) Examine the basic concepts of game theory (7)

4. (a) Choose the right option from the following (7)

i. The nature of economic and business problem is _____

- a) Identical.
- b) Similar.
- c) different
- d) opposite

ii. Macro economics is not the study of _____.

- a) Inflation..
- b) unemployment
- c) Growth
- d) Individual firm

iii. Total revenue minus total costs (explicit plus implicit costs) is _____.

- a) Economic profit
- b) Accounting profit.
- c) Negative profit.
- d) Unexpected profit.

- iv. The upward shift of Production possibility curve indicates _____.
- a) Larger combination of output
 - b) Larger combination of inputs.
 - c) Lesser combination of input.
 - d) Same combination of output.
- v. The private goods are _____ in consumption
- a) Rival.
 - b) Non-rival
 - c) Non-exclusive.
 - d) collective
- vi. Economic inefficiency can be corrected by reducing _____.
- a) Production
 - b) Employment
 - c) Wastages
 - d) Competition
- vii. Any public spending may generate _____ externalities.
- a) Positive
 - b) Negative
 - c) Both positive and Negative
 - d) Neither positive nor negative.

(b) Give precise meaning of the following. (8)

- i. Business Economics
- ii. Opportunity cost.
- iii. Accounting profit
- iv. Public goods

OR

4. Write short note on any three of the following (15)

- i. Scope of Business economics.
 - ii. Band wagon effect.
 - iii. Elasticity of supply.
 - iv. Learning curve,
 - v. Kinked demand curve.
- _____