FYBAF/SEM I/REG/ B.ECO

Time: 2½ hrs. **Marks:75**

Note:
1. All questions are compulsory with internal options.
2. The figures to the right indicate full marks.
3. Draw a neat diagram wherever necessary.

Q. 1 (A) Fill in the blanks with the correct answer from the alternatives given below. (Attempt any 8) **(08)**

(1) The coefficient of relatively elastic demand is...............
- (a) Ep= 1
- (b) Ep<1
- (c) Ep>1
- (d) Ep=0

(2) The supply curve slope.................
- (a) Downward
- (b) Upward
- (c) Vertical
- (d) Horizontal

(3) .... refers to the next best alternative forgone or sacrificed.
- (a) Opportunity cost
- (b) Total cost
- (c) Marginal cost
- (d) Average cost

(4) Implicit costs are ....
- (a) equal to total fixed costs
- (b) equal to variable costs
- (c) cost of using factors belonging to the business owner
- (d) always less than explicit costs

(5) As a price of a commodity falls, it becomes relatively cheaper than other altenatives. The effect is known as..........
- (a) substitution effect
- (b) income effect
- (c) snob effect
- (d) price effect

(6) In monopoly market there is .... Seller.
- (a) Large
- (b) few
- (c) one
- (d) Many

(7) The ______ method uses the time series data.
- (a) sample survey
- (b) end use
- (c) Delphi
- (d) trend

(8) Products sold in oligopoly market is..........
- (a) homogenous or heterogenous
- (b) heterogenous
- (c) differntiatiated
- (d) homogenous

(9) Micro economics deals with the analysis of..........
- (a) national income
- (b) GDP
- (c) individual unit
- (d) all sectors of economy

(10) Super normal Profit is ....
- (a) TR> TC
- (b) AR=AC
- (c) TR= TC
- (d) AR<AC

(B) State whether the following statements are True or False. (Attempt any 7) **(07)**

(1) Micro economics deals with the analysis of National income

(2) Demand and price is directly related to each other

(3) All inferior goods are Giffen goods.

(4) An isoquant is concave to the origin

(5) The law of variable proportion explains returns to all factors of production

(6) External economies may occur due to division of labour

(7) In the short run the firm has to incur only fixed cost

(8) In perfect competition consumer is a price maker

(9) A monopolist sells a commodity which has a close substitute

(10) Cost plus pricing is also called as Mark up pricing

Q.2 (a) Explain with the help of a diagram Price Elasticity of Demand. (08)
(b) What are the methods involved in Demand Forecasting. (07)

OR

Q.2 (p) Explain Market Equilibrium & changes in demand & supply. (08)
(q) Define Demand. Explain Law of Demand in Detail. (07)

Q.3 (a) A businessman pays 24,00,000/- in salaries & wages, 4,00,000/- in interest paid on borrowed capital & 2,40,000/- rent for office premises. If the entrepreneur worked for somebody else, he would earned 1,000,000/- per year. Revenue per annum is 6,000,000/- (15)

Questions:

a) Calculate accounting cost, economic cost, accounting profit, economic profit.

b) Instead of borrowed capital, the entrepreneur invested 16,00,000 of his savings. The highest market rate of interest this amount can earn is 9% per annum. How would this affect her economic cost and profit.

OR

Q.3 (p) Explain Law of Variable Proportion with diagramattic representation. (08)
(q) What is Break-Even Analysis and explain the factors which affect the break-even analysis. (07)

Q.4 (a) Explain Short run Equilibrium of a firm under Perfect Competition. (08)
(b) Explain Features of Monopoly market. (07)

OR

Q.4 (p) Explain kinky demand curve under Oligopoly market. (08)
(q) Distinguish between perfect competition and monopoly market. (07)

Q.5 (a) Define price discrimination and explain the various forms of price discrimination (15)

OR

Q.5 (p) **Write short notes on (Attempt any 3)** (15)

(1) Isoquants
(2) Features of Perfect Competition
(3) Dumping
(4) Income Elasticity of Demand
(5) Steps of Demanding Forecasting

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