# NEP - Semester End Examination – October 2025

**Program:** FY.B.COM (A& F) (I) **Course:** ECONOMICS-I

**Program Code:** UGAF03 **Course Code:** NUAF103

**Duration:** 2 Hour

**Max. Marks:** 60

**Instructions:**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.

| Q. 1 | | Attempt the following. | [15] | Course Outcome | Knowledge Level |
|---|---|---|---|---|---|
| | (a) | Fill in the blanks with an appropriate answer from the alternatives given. | [08] | | |
| | I) | A supply function can be expressed as ..................... | | | |
| | | (a) Qsx= f(Px)  (b) Q=Sx | | | |
| | | (c) Qdx= f(Px)  (d) Qsx= P | | | |
| | II) | Relation between price and demand is.............. | | | |
| | | (a) Inverse  (b) Direct | | | |
| | | (c) Neutral  (d) No relation | | | |
| | III) | The combined effect of the income and the substitution effect is known as the ..................... | | | |
| | | (a) Price effect  (b) Income effect | | CO2 | L1 |
| | | (c) Positive effect  (d) Negative effect | | | |
| | IV) | The demand curve in law of demand is .......... | | | |
| | | (a) Horizontal  (b) Vertical | | | |
| | | (c) Downward sloping  (d) Upward sloping | | | |
| | V) | The coefficient of relatively inelastic demand is................. | | | |
| | | (a) Ep=1  (b) Ep > 1 | | | |
| | | (c) Ep < 1  (d) Ep=0 | | | |
| | VI) | In Perfectly elastic demand the demand curve is ..................... | | | |

| | | | | |
|---|---|---|---|---|
| (a) | Horizontal | (b) | Flatter | |
| (c) | Vertical | (d) | Steeper | |

| VII) | For a Medicine Income elasticity of demand is............. |
|---|---|

| (a) | Positive | (b) | One |
|---|---|---|---|
| (c) | Negative | (d) | Zero |

| VIII) | A .......... Provides information about the price, quantity, and quality of the good. |
|---|---|

| a. | Data | b. | Buyer |
|---|---|---|---|
| c. | Seller | d. | Market |

**(b) State whether the following statements are true or false.** [07] CO1 L1

| I) | Business Economics is concerned with applying economic concepts to business decision-making. |
|---|---|
| II) | The Opportunity Cost principle states that the cost of any choice is the value of the best alternative forgone. |
| III) | Marginal cost refers to the additional cost incurred in producing one more unit of output. |
| IV) | Functional relations in economics can be expressed in the form of equations. |
| V) | Function is a magnitude of interest that can be defined and measured. |
| VI) | Equilibrium price is determined where demand equals supply. |
| VII) | Economics is a science of choices. |

| Q. 2 | | Attempt any TWO of the following. | [15] | Course Outcome | Knowledge Level |
|---|---|---|---|---|---|
| | (a) | Describe the scope of Business economics. | [07] | CO1 | L2 |
| | (b) | Define Income elasticity of demand and its types. | [08] | CO2 | L1 |
| | | **OR** | | | |
| | (c) | Explain the concept of Opportunity cost with suitable example. | [07] | CO1 | L2 |
| | (d) | Define the Law of Demand with its assumptions. | [08] | CO2 | L1 |

| Q. 3 | | Attempt any TWO of the following. | [15] | Course Outcome | Knowledge Level |
|---|---|---|---|---|---|
| | (a) | Apply the properties of an isoquant to analyze different combinations of inputs in production. | [07] | CO3 | L3 |
| | (b) | Compare collusive and non- collusive oligopoly markets. | [08] | CO4 | L4 |
| | | **OR** | | | |
| | (c) | Calculate TFC, AFC, TVC, AVC, AC and MC on the basis of data given below. <br><br> Output: 0, 1, 2, 3, 4, 5 <br> Total Cost: 50, 110, 140, 145, 200, 300 | [07] | CO3 | L3 |
| | (d) | Analyze the Short run Equilibrium of a firm under Perfect Competition. | [08] | CO4 | L4 |
| Q.4 | | Solve the following numerical. | [15] | | |
| | 1. | A Businessman pays rs 24,00,000 in wages and salaries per year, rs 4,00,000 in interest per year on borrowed money capital and rs 2,40,000 for the yearly rental of his office premises. If the entrepreneur worked for somebody else she would have earned rs 10,00,000 per year. <br> a) Evaluate the entrepreneurs accounting and economic profit if she received rs 60,00,000 as revenue in her years output. <br> b) Instead of borrowed capital, the entrepreneur invest rs 16,00,000 of her own savings. The highest market rate of interest this amount can earn is 9% per annum. how would this affect her economic cost and profit. | | CO3 | L5 |

The data table for (c):

| Output | 0 | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|
| Total Cost | 50 | 110 | 140 | 145 | 200 | 300 |

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