

Date : 25.11.2019

Time : (2½ Hours)

Total Marks: 75

- N.B. (1) All questions are compulsory.
(2) Figures to the right indicate marks for respective sub questions.

- Q.1 A Choose correct alternative in each of the following. (Any 8) (8)
- (i) The ratio of change in total revenue to a unit change in output sold is ____.
 - (a) Marginal revenue
 - (b) Marginal cost
 - (c) Average revenue
 - (d) Average cost
 - (ii) Under oligopoly the firm faces a _____ demand curve.
 - (a) Horizontal
 - (b) Vertical
 - (c) Upward sloping
 - (d) Kinked
 - (iii) If the cross elasticity of demand is positive, goods are _____.
 - (a) Complementary
 - (b) Substitutes
 - (c) Not related
 - (d) None of these
 - (iv) The _____ method uses time series data.
 - (a) Sample survey
 - (b) Delphi
 - (c) Trend
 - (d) None of these
 - (v) Electricity charges, sales tax etc. are example of _____ cost.
 - (a) Unavoidable
 - (b) Variable
 - (c) Avoidable
 - (d) None of these
 - (vi) Safety margin is difference between _____.
 - (a) TR and TC
 - (b) TR and TFC
 - (c) AC and MC
 - (d) Sales and BEP
 - (vii) The demand curve for a firm under perfect competition is _____.
 - (a) Vertical
 - (b) Horizontal
 - (c) Downward sloping
 - (d) Upward sloping
 - (viii) Selling cost is the feature of _____ competition.
 - (a) Perfect
 - (b) Monopoly
 - (c) Monopolistic
 - (d) None of these
 - (ix) Oligopoly is characterized by _____.
 - (a) Single seller
 - (b) Few seller
 - (c) Too many sellers
 - (d) Single buyer
 - (x) _____ is an intra-firm trading of goods and sources.
 - (a) Dumping
 - (b) Marginal cost pricing
 - (c) Cost plus pricing
 - (d) Transfer pricing
- B State whether the following statements are True or False (Any 7) (7)
- (i) Microeconomics deals with the analysis of national income.
 - (ii) Extension and contraction can be shown on the same demand curve.
 - (iii) Price is very flexible in oligopoly.
 - (iv) In the short run, the firm has to only incur variable costs.
 - (v) A monopolist is a price taker.
 - (vi) Regression method forecasts demand accurately.
 - (vii) Price discrimination is always possible and profitable.
 - (viii) Under consumer survey method the consumers are interviewed directly.
 - (ix) Expert opinion method is more accurate and reliable.
 - (x) Capital management implies planning of capital expenditure.

- Q.2 (A) Explain the term business economics? Explain the importance of BE (8)
 (B) What is cross elasticity of demand? Explain with the suitable example and formulation (7)

OR

- (P) Explain the factors of determining elasticity of demand (8)
 (Q) What are the tools of business economics? (7)

- Q.3 (A) What is demand forecasting? Explain the methods of demand forecasting (8)
 (B) Given total fixed cost as Rs. 100. With the help of following information calculate. (7)

- I. TC
 II. AFC
 III. AVC
 IV. MC

Output	0	1	2	3	4	5	6
Total variable cost	0	25	40	50	60	80	110

OR

- (P) What is short run and long run production function? (8)
 (Q) Explain the concept of total product, average product and marginal product. (7)

- Q.4 (A) Explain the features of monopolistic competition (8)
 (B) What is oligopoly competition? And Classification of oligopoly (7)

OR

- (P) What are the types of market structure? (8)
 (Q) Explain the formula method for determining BEP (7)

- Q.5 (A) What are the advantages and disadvantages of marginal cost pricing (8)
 (B) Explain the degree of price discrimination (7)

OR

- (P) Attempt **any Three** of the following (Short note) (15)
 1. Opportunity cost
 2. Market supply
 3. Monopoly competition
 4. Cost analysis
 5. Product pricing method
