

[Time: 2.30 Hrs]		[Marks:75]
Please check whether you have got the right question paper.		
N.B:	1. All question are compulsory. 2. Figures to the right indicate full marks. 3. Students answering in the regional language should refer in case of doubt to the main text of the paper in English.	

Q.1	A. Choose the correct answer from the given multiple choice. (Any Eight) i) If total fixed cost is Rs 35000/- and total variable cost is Rs 250 /- then total cost will be -----. a. Rs 35250/- b. Rs 250/- c. Rs.35000/- d. Rs 600/- ii) Business Economics is also called as -----. a. Managerial economics b. Microeconomics c. Macroeconomics d. Developmental economics iii) Kinky demand curve occurs in ----- Market. a. Perfect competition b. Monopoly c. Monopolistic competition d. Oligopoly iv) Demand curve in perfect competition is -----. a. Elastic b. Vertical c. Negative d. Horizontal v) In case of decreasing returns to scale, the distance between subsequent isoquants -----. a. Remain constant	08
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	<p>b. Increase</p> <p>c. Decrease</p> <p>d. Optimum</p> <p>vi) Returns to scale determines the behaviour of -----.</p> <p>a. Short run average cost</p> <p>b. Marginal cost</p> <p>c. Average fixed cost</p> <p>d. Long-run average cost</p> <p>vii) Transport bottlenecks due to excessive localisation is an example of -----.</p> <p>a. Internal economies</p> <p>b. Internal diseconomies</p> <p>c. External diseconomies</p> <p>d. External economies</p> <p>viii) A profit maximizing firm need to monitor its _____ and Revenue.</p> <p>a. Cost</p> <p>b. Profit</p> <p>c. Fixed cost</p> <p>d. Variable Cost</p> <p>ix) Implicit cost is also called -----.</p> <p>a. Indirect</p> <p>b. Direct</p> <p>c. Internal</p> <p>d. External</p> <p>x) Q10. Explicit cost also refers to _____ Cost.</p> <p>a. Indirect</p> <p>b. Direct</p> <p>c. Internal</p> <p>d. External</p>	
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	B. Find True or False. (Any Seven) i) Business economics is known as managerial economics. ii) Variable can be independent only. iii) Market demand curve is steeper than individual demand curve. iv) At which demand curve tangent to supply curve, there consumer is in equilibrium. v) In the case of Giffen goods, the demand curve is upward sloping. vi) The demand is said to be relatively elastic, when the percentage change in quantity demanded of a commodity is greater than the percentage change in its price. vii) Large number of sellers exist in the monopoly market. viii) Price discrimination is possible in monopoly market. ix) Product differentiation is one of the characteristics of monopolistic competition. x) Demand curve of monopolistically competitive firm is less elastic.	07
Q.2	A. Discuss the scope of business economics. B. What is meaning and importance of business economics? OR A. Discuss the relationship between total revenue, average revenue and marginal revenue. B. Describe the concepts Marginalism and Instrumentalism.	08 07 08 07
Q.3	A. Describe the market demand curve. B. Describe the market supply curve. OR A. Discuss the degrees of elasticity of demand. B. Explain the significance of demand forecasting	08 07 08 07
Q.4	A. What is the meaning of monopoly? What are the features of monopoly? B. Discuss the role of advertisement. OR A. What is the meaning and features of oligopoly? B. What is the meaning and features of monopolistic competition?	08 07 08 07
Q.5	Write a note on any three of the following. A. Excess capacity B. Promotional elasticity of demand C. Kinked demand curve D. Selling cost E. Features of Perfect Competition	15