

[Time: 2.30 Hrs]		[Marks:75]
Please check whether you have got the right question paper.		
N.B:	1. All questions are compulsory. 2. Figures to the right indicate full marks. 3. Draw neat diagrams wherever necessary.	

Q.1	(A)	Choose the correct option for the following: (Any 8)	(08)
	i	Which is the important aspect of Business Economics? a. Business forecasts b. Demand c. Production d. Supply	
	ii	Negative relationship between two variables means _____. a. both variable move in same direction b. both variables move in opposite direction c. both variables have maximum and minimum relations d. both variables are not at all related	
	iii	Law of demand indicates the inter-relationship between _____. a. Price and supply b. Price and expenditure c. Price and demand d. Demand and supply	
	iv	The change in the price of one commodity, on the demand of another commodity is measured by _____. a. Income b. Cross c. Advertisement d. Replacement	
	v	In production function the inter-relationship occurs between _____. a. Goods & services b. Inputs & outputs c. Utility & satisfaction d. Consumption & savings	
	vi	Accounting Cost refers only to the firm's _____ expenditures. a. Explicit b. Direct c. Indirect d. Internal	
	vii	Demand curve in monopoly market is _____ sloped. a. positively	

	<p>b. negatively c. vertically d. horizontally</p> <p>viii Free samples is the part of _____. a. Selling cost b. Supply cost c. Donation d. Marketing cost</p> <p>ix Under Marginal cost pricing _____ costs are ignored. a. variable b. fixed c. marginal d. total</p> <p>x Transfer Pricing is essentially _____. a. inter firm pricing b. determined by government c. intra-firm pricing d. a fiscal phenomenon</p>	
	<p>(B) State whether the following statements are True/False: (Any 7)</p> <p>i The cost of next best alternative use is marginalism principle.</p> <p>ii An Equation specifies the direction of relation between variables.</p> <p>iii Slope of demand curve is vertical.</p> <p>iv When a slight change in price of commodity brings about infinite change in the demand for a commodity is called as perfectly inelastic demand.</p> <p>v Production means to create utility.</p> <p>vi A profit maximizing firm need to monitor its Profit and Revenue.</p> <p>vii Sunk Cost is the initial cost incurred by a firm to enter the market.</p> <p>viii In monopoly there is no opportunity for price discrimination.</p> <p>ix The concept of monopolistic competition is presented by Edward Chamberlin.</p> <p>x A monopolist may charge a higher price in the home market and lower price in the competitive world market.</p>	(07)
Q.2	<p>Answer the following.</p> <p>(A) Explain the scope and importance of Business economics.</p> <p>(B) Write a note on Opportunity cost.</p> <p style="text-align: center;">OR</p> <p>(A) Discuss the factors affecting price elasticity of demand.</p> <p>(B) Explain the steps to estimate demand forecasting.</p>	(15)
Q.3	<p>Answer the following.</p> <p>(A) Explain the law of returns to scale.</p> <p>(B) Discuss the internal economies of scale.</p> <p style="text-align: center;">OR</p> <p>(A) Explain the features of perfect competition.</p>	(15)

	(B) Discuss the sources of monopoly power.	
Q.4	<p>Answer the following.</p> <p>(A) Explain the wastages under monopolistic competition.</p> <p>(B) Discuss kinky demand curve under oligopoly.</p> <p style="text-align: center;">OR</p> <p>(A) Discuss the concept of full cost pricing method.</p> <p>(B) Explain conditions required for price discrimination.</p>	(15)
Q.5	<p>Write notes on the following. (Any 3)</p> <p>(A) Market supply</p> <p>(B) Concepts of revenue</p> <p>(C) Derivation of Long run average cost (LAC) curve</p> <p>(D) Features of monopolistic competition</p> <p>(E) Multiple product pricing method</p>	(15)