

- Note : i) All questions are compulsory.  
ii) Figures to the right indicate full marks.  
iii) Draw diagrams wherever necessary.

Q.1 a) State whether the following statements are True or False. (any 8) (08)

1. Economics is the science of choices.
2. Normal goods have positive income effect.
3. Total revenue is total sale of certain amount of commodity at a given time.
4. Production refers to creation of utilities.
5. External economies may occur due to division of Labor.
6. There is no difference between economic and accounting costs.
7. Break – even point and shut – down point are the same.
8. In monopolistic competition commodities are standardized.
9. For price discrimination product must differ in quality.
10. Public enterprises may charge a price equal to their MC.

b) Match the following: (any 7)

- |                                |                                 |
|--------------------------------|---------------------------------|
| 1. Demand curve                | a) relative prices of inputs    |
| 2. Trend Method.               | b) Diminishing Marginal returns |
| 3. Graphs                      | c) high barriers to entry       |
| 4. Law of variable proportions | d) $TR = TC$                    |
| 5. variable costs              | e) Non price competition        |
| 6. Break-even point            | f) negative slope               |
| 7. Oligopoly                   | g) Time series data             |
| 8. Higher rate of discount     | h) prime cost                   |
| 9. Administered pricing        | i) geometrical tools            |
| 10. Isocost line               | j) determined by government     |

Q.2 a) Discuss the factors affecting price elasticity of demand.

b) What are the steps in demand forecasting? (08)

OR

c) Given are the demand and supply equations,  $Q_d = 200 - 5p_x$  and  $Q_s = -250 + 10p_x$

Questions:

- i) Derive demand and supply schedule. (04)
- ii) What is the equilibrium price and quantity in the market. (04)

d) Explain the nature of demand curve in different markets. (07)

Q 3. A) Examine the Laws of returns to scale. (08)

b) Explain the concept of isoquant and discuss its types. (07)

OR

c) Given TFC as Rs. 150, calculate TC, ATC, AFC and MC from the information given below: (08)

Units	1	2	3	4	5	6
TVC	40	70	90	120	160	220

d) Discuss External economies of scale. (07)

Q 4. a) Explain the concept of Break – Even point diagrammatically in detail. (08)

b) What is monopoly and examine its features. (07)

OR

c) Explain the concept of kinked demand curve. (08)

d) Examine the short equilibrium of a firm under monopolistic competition. (07)

Q.5 a) what is price discrimination? What are the different degrees of price discriminations? (08)

b) Write an explanatory note on Multiproduct pricing.

OR

Q.5 c) write short notes on (any 3) (15)

1. Law of supply.

2. Expansion path.

3. Significance of Demand forecasting.

4. Long – run equilibrium of a firm under perfect competition.

5. Features of Monopolistic Competition.

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