

Note : 1. All questions are compulsory.

2. Draw neat, labelled diagrams wherever necessary.

**Q.1A) State whether the following statements are true or false: (Any 8) (8)**

1. The primary focus of business economics is economic welfare.
2. Price always has a tendency to move away from equilibrium.
3. Advertisement, income are the only factors which influences to the demand.
4. Forecasts and business policy is one of the scope of business economics.
5. Economics is the science of choices.
6. Resources need to be used optimally because they are limited in nature.
7. Macro economics deals with aggregate concept of study.
8. MR stands for Marginal Revenue.
9. Demand forecast is an estimation of demand for the product for a future period.
10. Micro economy and macro economy are the modern branches of economy.

**Q.1B) Match the column (Any 7) (7)**

**Column A**

1. Slopes & Curves
2. AR
3. Total cost
4. Monopolistic
5. Price taker
6. Few sellers
7. Demand
8. Complementary goods
9. Break even point
10. Equations

**Column B**

- a. TR/Q
- b. Oligopoly
- c. Are tools to study the concept
- d. TFC + TVC
- e. Price
- f. Mathematically expressed functions
- g. Earns zero profit
- h. Price discrimination
- i. Car and petrol
- j. Perfect competition

**Q.2) A. Define business economics and explain its scope. (8)**

**B. State the difference between Micro and Macro Economy. (7)**

**Or**

C. What are the steps involved in demand forecasting? Explain briefly. (8)

D. Explain the importance of business economics. (7)

Q.3) A. The demand function for a commodity is given as  $Q_d = 40 - 0.1P$  and its supply function is given as  $Q_s = 20 + 0.2P$ . Make a schedule of demand and supply at prices rs.100, 200, 300 and 400. Find the equilibrium price and quantity. (8)

B. Explain the factors which are affecting to demand. (7)

Or

C. Explain the types of production function. (8)

D. Explain the laws of return to scale. (7)

Q.4) A. The Total Fixed Cost (TFC) incurred by a firm is ₹.150;  
Calculate the TC, ATC, AFC and MC. (8)

Quantity	1	2	3	4	5	6
TVC	45	70	90	130	180	250

B. State the meaning and features of Monopoly competition. (7)

Or

C. What is price rigidity? Discuss it with the help of suitable diagram. (8)

D. Explain short run equilibrium under monopolistic. (7)

Q.5) A. Explain which type of competition it is? And Calculate TR, AR and MR. (8)

Quantity	1	2	3	4	5	6	7	8	9	10
Price	10	10	10	10	10	10	10	10	10	10

B. Explain the concept of break even point with diagram and solve the following term :  
The firm A has Fixed operating costs of rs. 3000, the price per unit of its product is rs.12 and the variable cost per unit is rs.6. Find out its break even sales in units. (7)

Or

Q.5) Short notes: (Any 3) (15)

A. Cartel formation

B. Conditions of price discrimination

C. Cost plus pricing

D. Marginal cost pricing

E. Production possibility curve

\*\*\*\*All The Best\*\*\*\*