

021222

VCD FYBIM SEM-I SUBJECT: ECONOMIC 3HRS 75 MARKS

- 1) All questions are compulsory.
- 2) All questions carry equal marks
- 3) Draw a neat labeled diagram wherever necessary.

Q.1) A) Multiple choice question (7 out of 10)

(7)

- 1) _____ is the economics of business or managerial decision.
 - a) micro economic
 - b) macro economics
 - c) Indian economy
 - d) Business economics
- 2) Market _____ is derived by adding all the individual demand
 - a) Demand
 - b) Supply
 - c) Price
 - d) none of these
- 3) Demand is a desired fact by _____
 - a) Ability to pay
 - b) willingness to pay
 - c) Market force
 - d) Environment effect
- 4) Unitary elastic demand is represented by _____
 - a) Horizontal demand curve
 - b) downward sloping demand curve
 - c) vertical demand curve
 - d) hyperbola slope demand curve
- 5) Demand forecasting is very essential for _____
 - a) Production planning
 - b) appropriate price policy
 - c) growth
 - d) time series model
- 6) Production refers to _____
 - a) production function
 - b) creation of utilities
 - c) production output
 - d) transformation
- 7) Fixed cost is regarded as _____
 - a) Unavoidable
 - b) variable
 - c) avoidable
 - d) none of these
- 8) Break even analysis compares total revenue with _____
 - a) Total profit
 - b) total cost
 - c) average cost
 - d) price
- 9) When price is lower than average total cost there will be _____.
 - a) Shut down point
 - b) equilibrium point
 - c) lose point
 - d) profit point
- 10) Under _____ firm and industry refers to one and the same thing .
 - a) Perfect competition
 - b) monopolistic competition
 - c) monopoly
 - d) Dilogopoly

Q.1 B) State whether the following statement are true or false. (8 out of 10)

(8)

- 1) Statistical method is called qualitative method.
- 2) Demand for casting is important for the Firm.
- 3) In case of inferior goods income elasticity of demand is positive.
- 4) Demand for electricity is elastic.
- 5) The monopoly firm faces a downward sloping demand curve.
- 6) Fixed cost refers to labor cost .
- 7) In short run. All costs are variable.
- 8) When marginal product is 0 the total product is minimum.
- 9) Division of labour leads to labour economy.
- 10) Expert opinion method is more accurate and reliable.

Q.2) Answer the following questions

- a) Explain law of Demand and state its curve under different market. (7)
- b) Explain Demand for casting and state its importance. (8)

OR

- c) Explain the change in demand and supply curve in relation to price. (7)
- d) Explain promotional Elasticity of Demand. (8)

Q.3) Answer the following questions.

- a) What do you mean by production function? State its features. (7)
- b) Explain Marginal cost and incremental cost. (8)

OR

- c) Given Total Fixed Cost rupees 20. Calculate TVC, MC, AC Using the following information.(7)

OUTPUT	1	2	3	4
TC	30	45	70	90

d) Complete the following table

(8)

OUTPUT	TFC	TVC	TC	ATC	AFC	AVC	MC
0	50	100					
1	50	120					
2	50	140					
3	50	180					
4	50	200					
5	50	220					

Q.4) Answer the following questions.

- a) What do you mean by perfect competition and state its features? (7)
- b) What do you mean by Oligopoly and state its features. (8)

OR

- c) Explain Selling cost. (7)
- d) Explain Price leadership. (8)

Q.5 Answer the following questions.

- a) Explain the exception and assumption of demand (7)
- b) Explain features and scope of Business Economic (8)

OR

c) Short note (any 3)

(15)

- 1) Determinants of market demand.
- 2) Law of supply.
- 3) Fixed cost and variable cost.
- 4) Break even analysis.
- 5) Price discrimination.