

Note : 1. All questions are compulsory.

2. Draw neat, labelled diagram wherever necessary.

Q.1A) Define the following terms: (Any 4)

(8)

1. Supply
2. Cost and profit analysis
3. Market
4. Perfect Competition
5. Production function
6. Goods and services
7. Elasticity of demand

Q.1B) State whether the following statements are true or false: (Any 7)

(7)

1. Macro and micro economy are the modern branches of economy.
2. Demand for the product can affect to supply.
3. All inferior goods are Giffen goods.
4. Extent of price change affects the elasticity of demand.
5. Demand forecasts are essential to plan future production and supply analysis.
6. In economics, the term production applies only to manufacturing of goods.
7. The laws to return scale applies to agriculture in developing economies.
8. TC stands for Total cost.
9. There is difference between economic and accounting costs.
10. Small firms do not need to forecast demand.

Q.2) A. Explain different types of price elasticity of demand.

(8)

B. State the difference between Micro and Macro Economy.

(7)

Or

C. Define business economics and explain its scope.

(8)

D. Explain the law of demand.

(7)

Q.3) A. Explain the laws of returns to scale.

(8)

B. Explain the types of production functions.

(7)

Or