

**NOTE: 1. All Questions are Compulsory.**

**2. Figures to right indicate full marks.**

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

1. Economics is always concerned with scarcity, choice and efficiency.
2. Economic Problem is Universal.
3. Demand is inversely related to price.
4. Demand for factors of production is derived demand.
5. In case of inferior goods income elasticity is negative.
6. The concept of elasticity of demand does not have partial application.
7. Demand curve always slopes upwards.
8. Subsidies increase the price of the commodity.
9. The concept of consumer surplus has no limitation.
10. Demand forecasting is done by only large scale industries.

**Q.1 B) Match the following: (Any 7)**

Column A	Column B
1. PPP curve	a) Break-even point
2. Joint demand	b) Advertisement cost
3. Composite demand	c) Shut down point
4. Promotional Elasticity	d) Price maker
5. Demand for salt	e) Few sellers many buyers
6. Oligopoly	f) Zero income elasticity
7. Industry	g) Advertisement outlay
8. $\text{Price} < \text{AVC}$	h) Electricity
9. Selling cost	i) Car and petrol
10. $\text{TR} = \text{TC}$	j) Prof. Samuelson

**Q2.**

- A) Explain in detail Production Possibility Frontier.
- B) Explain the various tools in economic theories.

**OR**

- C) Explain the characteristics of demand forecasting. (8)
- D) State the factors influencing demand and supply. (7)

Q3.

- A) Highlight the characteristics of production function. (8)
- B) Explain the meaning of internal economies of scale and its types. (7)

OR

- C) Discuss the various types of cost concepts. (8)
- D) Explain the break – even point with the help of linear function. (7)

Q4. Attempt the following question:

- A) Explain the features of perfect competition. (8)
- B) State the difference between selling cost and production cost. (7)

OR

- C) State the different types of price discrimination. (8)
- D) Examine the causes of market failure. (7)

Q5. Short notes: (Any 3)

- A) Kinked demand curve
- B) Learning curve
- C) Demand schedule
- D) Economic and accounting cost
- E) Total revenue