

ATKT EXAMINATION, FEBRUARY 2017

Class: FYBAF (Sem. I)

Total Marks: 75

Date: 13/02/2017

Time: 2 ½ Hours

Subject: ECONOMICS

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) (8)

1. Microeconomics deals with the analysis of national income.
2. Supply and price are inversely related.
3. All inferior goods are Giffen goods.
4. Demand forecasts are essential to plan future production.
5. Production refers to creation of utilities.
6. Fixed costs are independent of output.
7. In the long run firms may enter or leave the industry.
8. Advertisement educates the people to live a simple life.
9. For price discrimination product must differ in quality.
10. Pricing of a product should cover cost alone.

B) Fill in the blanks (Any 7) (7)

1. The law of demand is explain by a _____ demand curve.
a) Horizontal (b) Upward sloping (c) Downward sloping
2. The income effect of a price change _____.
a) Is always positive (b) is always negative (c) may be positive or negative
3. When demand is relatively inelastic, price and total revenue changes take place in the _____ direction.
a) Same (b) Opposite (c) Negative
4. _____ Method is used to bridge the opinions given by different experts.
a) Expert's opinion (b) Delphi (c) Trend analysis

5. The slope of iso cost line is _____.
 a) $MRTS_{KL}$ (b) P_L / P_K (c) MRS_{XY}
6. The slope of the total revenue equals _____.
 a) Marginal cost (b) Average cost (c) Average variable cost
7. The shut – down and break – even points are _____.
 a) Same (b) Different (c) Irrelevant
8. Product in oligopoly is _____.
 a) Differentiated (b) Unique (c) Identical
9. In the long run a monopolist usually earns _____.
 a) Excess profit (b) Normal Profit (c) Sub – normal profit
10. _____ pricing strategy uses various class distinctions.
 a) Marginal cost (b) Product line (c) Mark – up

Q.2A) Define 'demand'. Explain the determinants of demand. (8)

B) Outline the nature of demand in different markets. (7)

OR

Q.2C) Explain the types of demand forecasting. (8)

D) Analyse law of variable proportion in detail. (7)

Q.3A) Explain the difference between internal and external economies of scale. (8)

B) Explain the properties of iso – quants. (7)

OR

Q.3C) Explain the meaning of break – even point and its diagrammatic determination. (8)

D) Explain the following cost concepts: (7)

- (i) Money cost (ii) Opportunity cost

Q.4A) Explain short run equilibrium of a firm under monopolistic competition. (8)

B) Define 'perfect competition'. Explain long run equilibrium of a firm under perfect competition. (7)

OR

Q.4C) Examine the role of advertisement in monopolistic competition. (8)

D) Define 'Oligopoly'. Explain its characteristics. (7)

Q.5A) Explain the equilibrium of price discrimination of monopolists. (8)

B) Highlight the conditions for price discrimination. (7)

OR

Q.5 Write short note on (Any 3) (15)

1. Demand

2. Law of supply

3. Dumping

4. Multiple product pricing

5. Cost plus pricing

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