

031222

VCD/ FYBAF SEM I Sub-Business Economics-I 2½ Hrs 75 marks

- Note**
1. All the questions are compulsory.
  2. All questions carry equal marks.
  3. Draw neat, labelled diagrams wherever necessary.

**Q.1 (A) State whether the following statements are True or False. (Any 8)** 08 marks

1. Economics is the science of choices.
2. The supply curve slopes upward.
3. The sample survey method undertakes a survey of all consumers.
4. Isoquant can intersect each other.
5. Average cost curve increases due to increasing returns to scale.
6. At the break-even point, TR is equal to TC.
7. In dumping a monopolist is a price taker in the world market.
8. Price is very flexible in an oligopoly market.
9. Full-cost pricing has no limitations.
10. Pricing of a product should cover the cost alone.

**Q.1 (B) Match the columns (Any 7)** 07 marks

GROUP A	GROUP B
1. Equations	a. positive
2. Perfectly inelastic demand	b. a large number of buyers and sellers
3. Substitutes	c. Average revenue
4. AR	d. few sellers
5. Survey method	e. mathematical express function
6. Isoquant	f. vertical line
7. Perfect competition	g. cannot touch either axis
8. Oligopoly	h. ignorance
9. Third-degree price discrimination	i. consumer survey
10. Average cost	j. U-shaped cost curve

**Q.2 Discuss the following in brief.** 15 marks

- A. Discuss the scope of business economics.
  - B. Explain the nature of the demand curve in different markets.
- OR**
- C. Explain the law of demand and its assumptions.
  - D. Discuss the market equilibrium with the help of a suitable diagram.

**Q.3 Answer the following in brief.** 15 marks

- A. Explain the changes in supply with the help of a suitable diagram.
  - B. Discuss the steps in demand forecasting.
- OR**
- C. Discuss the degree of price elasticity of demand with the help of suitable diagrams.
  - D. Explain the law of variable proportion.

**Q.4 Explain the following in brief.** 15 marks

- A. Explain the meaning and characteristics of oligopoly.
- B. Explain the degrees of price discrimination.

**OR**

- C. Explain the role of advertisement in monopolistic competition.
- D. Discuss marginal cost pricing with the help of a suitable diagram.

**Q.5 Write short notes. (Any 3)**

**15 marks**

1. Survey method
2. Properties of isoquant
3. External economies of scale
4. Features of monopolistic competition
5. Conditions of price discrimination

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