Q.1A) State whether the following statements are true or false: (Any 8) (8)

1. Economics is the science of choices.

2. Demand and Price are inversely related.

3. Giffen goods have a positive but weak substitution effect.

4. Extent of price change affects the elasticity of demand.

5. Demand forecasts are essential to plan future production.

6. Zero substitutability of factors is indicated by a kinked Isoquant.

7. Average cost increases due to increasing return to scale.

8. External economies may occur due to division of labour.

9. In the short run, the firm has to only incur variable costs.

10. When MC is greater than AC, AC will be falling.

Q.1B) Match the column (Any 7) (7)

Column A	Column B
1. Graph	a. Accounting cost
2. Explicit cost	b. Remains constant
3. Total fixed cost	c. are geometrical tools to study function
4. Monopoly	d. Long run
5. Firm enter and exit from market	e. Single seller
6. Short run equilibrium	f. Demand
7. Selling cost may increase	g. With excess or sub-normal profit
8. Monopolistic market	h. Third degree price discrimination
9. Different price in different market	i. Many sellers
10. Oligopoly	j. few sellers

Q.2) A. Explain the meaning and scope of business economics. (8)

B. What are the factors determining elasticity of demand? Explain briefly (7)

Or

C. Explain different types of price elasticity of demand with suitable diagram. (8)

D. What are the steps involved in demand forecasting ?Explain briefly . (7)

Q.3) A. What is an isoquant? Explain its types using diagrams. (8)

B. Explain different types of production functions. (7)

Or

C. The Total Fixed Cost incurred by a firm is ₹.100; Calculate the TC, MC, AFC, AVC, ATC. (8)

Quantity	0	1	2	3	4	5	6	7	8	9	10
TVC	0	25	40	50	70	100	145	205	285	385	515

D. Discuss the internal and external economies of scale. (7)

Q.4) A. Explain the meaning and features of perfect competition. (8)

B. Define market and explain the different types of market. (7)

Or

C. Discuss the different types of price leadership. (8)

D. Explain short run equilibrium under monopoly. (7)

Q.5) A. Explain the different degrees of price discrimination. (8)

B. Discuss the conditions of price discrimination. (7)

Or

Q.5) Short notes: (Any 3) (15)

A. Opportunity cost

B. Dumping

C. Transfer pricing

D. Selling Cost

E. Rigid lines

****All The Best****