301122

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VCD FYBCOM SEM-I BUSINESS ECONOMICS I 3 HRS MARKS 100

Note : 1. All questions are compulsory

2. All questions carry equal marks

3. Draw neat diagram wherever necessary

Q.1 A) Explain the following concepts: (Any 5) **10**

1) Variable
2) Supply function
3) Income effect
4) Demand forecasting
5) Isoquant map
6) Total product (TP)
7) Private cost
8) Break-even point

Q.1 B) State whether following statements are TRUE or FALSE: **10**

1) Microeconomics deals with the analysis of National Income.
2) Supply and price are inversely related.
3) Demand for a commodity is only the desire for the commodity.
4) Income elasticity of demand for all normal goods is be negative.
5) Very small firms do not need to forecast demand.
6) Linear iso-quant shows perfect substitutability of factors.
7) Internal Economies of scale are advantages of large-scale production.
8) Fixed costs are independent of output.
9) In the long run, the firm faces no fixed costs.
10) Break-even analysis helps determine sales and marketing strategies.

Q. 2 Answer the following:(Any 2) **20**

1) Explain the Functional relations and Tool for economic Analysis.
2) Explain the Law of Supply and Individual Supply.
3) The demand function for a commodity is given as $Q_D = 40-0.1P$ and its supply function is given as $Q_S = 20 + 0.2P$. Make a schedule of demand and supply at prices Rs. 100/-, Rs.200/-, Rs.300/- and Rs.400/-. Find the Equilibrium price and quantity.

Q.3 Answer the following:(Any 2) **20**

1) What are the various determinants of Demand.
2) Discuss the factors affecting price elasticity of demand.
3) Discuss various steps in demand forecasting.

Q.4 Answer the following (Any2) **20**

1) Explain the concept of Isoquant. what are the properties of Isoquants.
2) Explain La vs of returns to scale (Long run production analysis).
3) Discuss Internal economies and diseconomies of scale.

Q.5 Answer the following (Any 2) **20**

1) Explain any 5 cost concepts.
2) Explain the Relationship between AC, AFC, AVC & MC.
3) Explain variables influencing the Break-even Analysis.