

FYBcom
extra Bus. Eco

VCD 8/12/23 FYBCOM SEM I Business Economics-I 3 hrs 100 marks

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

Q.1 A Define the following concepts (Any 5)

10 Marks

1. Business Economics
2. Intercepts
3. Elasticity of Demand
4. Normal goods
5. Ridge lines
6. Economies of scope
7. Social cost
8. Economic cost

Q. 1 B State whether following statements are True or False

10 Marks

1. Economics is a science of choice.
2. The primary focus of business economics is welfare.
3. Giffen goods have positive but weak substitution effect.
4. If taxes are imposed on the goods having elastic demand, it can generate more revenue to the government.
5. An isoquant has a negative slope.
6. The laws of returns to scale explains production in long run.
7. Implicit costs are contractual cash payments made in the process of production.
8. Fixed costs are independent of output.
9. At break-even point $TR > TC$.
10. Supply curve has a positive slope.

Q.2 Answer the following questions (Attempt Any 2)

20 Marks

1. Define business economics. Discuss the scope of business economics.
2. Examine functional relations and tools for economic analysis.
3. Explain Law of Supply. Discuss the factors determining supply.

Q.3 Answer the following questions (Attempt any 2)

20 Marks

1. Discuss nature of demand curve in different markets.
2. Explain different degrees of price elasticity of demand with diagram.
3. Explain meaning, significance and types of demand forecasting.

Q. 4 Answer the following questions (Attempt any 2)

20 Marks

1. Define Isoquant. What are the different types of isoquants?
2. Explain law of variable proportion.
3. Discuss the external economies and diseconomies of scale.

Q.5 Answer the following questions (Attempt any 2)

20 Marks

1. Write a note on learning curve.
2. Discuss the business applications of break-even.
3. Calculate TC, AVC, AFC, AC and MC

$TFC = 20$

Quantity	0	1	2	3	4	5	6
TVC	0	30	50	70	80	85	108