| VC-D | 28-09-15 FYBCOM BUSINESS ECONO | MICS SEM I SEP 2015 2 | % HRS Marks 75 20 | 90 | |
|---------|---|---------------------------|----------------------|-------|--|
| 01.4 | answer the following (Any 2) | | (| 15) | |
| A. | Degrees of elasticity of demand | | | | |
| В. | Consumers surplus | | | | |
| C. | Meaning and types of demand forecasting | g | | (4.5) | |
| Q.2. A | nswer the following (Any 2) | | | (15) | |
| A. | Meaning and properties of isoquants. | | | | |
| В. | Law of variable proportion | | | | |
| C. | Meaning and types of production functio | n | | (15) | |
| | nswer the following (Any 2) | | | (13) | |
| A. | Concept of cost | | | | |
| В. | Behavior of cost in long run | | | | |
| C. | Relationship between AC, AFC, AVC and I | MC curve. | | (15) | |
| | scuss the following: (Any 2) | | | 1 | |
| Α. | Growth maximization | | | | |
| В. | TR, AR and MR under perfect competitio | | | | |
| | Uses and limitations of break even analy | | ason (any 4) | (80) | |
| Q.5. A. | State whether the following statements | are true or talse with re | ason. (any 4) | | |
| 1. | All giffen goods are inferior goods | er into on the car | ne demand curve. | | |
| 2. | The elasticity of demand may differ at different points on the same demand curve. | | | | |
| 3. | Linear isoquant shows perfect substitutability of factors. | | | | |
| 4. | | | | | |
| 5. | In the short run the firm has to only incur variable cost. | | | | |
| 6. | Implicit costs are contractual payments made during the process of production. | | | | |
| 7. | A firm does not aim at maximizing normal profit. | | | | |
| 8. | At Break even point TR = TC | 0. | | | |
| 0 5 8 | Choose the correct answer and rewrite | the statement. (any 7) | | (07) | |
| Q.3. D. | The income effect of a price change | | | | |
| 1. | | c) may be positive or n | egative | | |
| | a) is always positive | d) is caused by change | | | |
| | b) is always negative | | | | |
| 2. | Consumers surplus indicates | _ types or wendre. | d) none of the above | | |
| | | | a) none of the above | | |
| 3. | The method uses time ser | ies data. | | | |
| | a) Trend b) end – use | c) sample survey | d) delphi | | |
| 4 | Increasing return to scale means | | | | |
| | a) Marginal product is constant | | | | |
| | to a very tie exceeding the proportion of change in input | | | | |
| | | | | | |
| | The marginal product curve is declining | | | | |
| | d) Excellent management | | | | |
| | | | | | |

| | | OMICS SEM I SEP 2015 2 | % HRS Marks 75 |
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| 5. | In case of decreasing returns to scale th | ne distance between subseque c) Decrease d) None of the above | uent isoquants |
| 6. | b) Increase When TP is maximum MP is | c) maximum | d) constant |
| 1 | a) Zero In the absence of any alternative use th a) Zero b) negative b) one | | d) none of the above |
| | In the short run, a firms fixed cost a) Is zero b) Will always have to be incurred c) Can be zero if production is zero d) Will decline with every increase in o Physical quantities of inputs refer to | utput. | |
| | a) Opportunity cost b) sunk cost Average revenue is equal to the | c) real cost | d) implicit cost |
| | a) Marginal revenue b) price Break – even point is reached when a fire | c) cost | d) incremental income |
| a b | a) Earn zero profit | c) covers variable cost d) none of the above | |
| |) TR > TC b) TR < TC | | d) none of the above |