

(75:25) ATKJ

VCD-25/11/19

FYBCOM--SUB-ECONOMICS - SEM I OCT 2017- 75 MARKS-2 ½ HRS

N.B. – 1) All Questions are Compulsory.

2) Figures to right indicate full Marks.

**Q.1 Answer in brief (Any 2)**

(15)

- A. Law of demand and it's assumption.
- B. Degrees of price elasticity of demand .
- C. Methods of demand forecasting .

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

(15)

- A. Types of production function.
- B. Properties of Isoquant.
- C. Laws returns to scale.

**Q.3 Discuss in brief (Any 2)**

(15)

- A. Relationship between AC, AFC, AVC and MC curves.
- B. Producers surplus .
- C. Concept of cost.

**Q.4 Answer the following (Any 2)**

(15)

- A. TR , AR and MR under perfect competition.
- B. Growth maximisation of the firm.
- C. Concept of break even point and it's determination.

**Q.5 (A) State whether the following statements are TRUE and FALSE with reasons ( Any 4)**

(08)

1. All inferior goods are Giffen goods .
2. Demand curve slopes upward .
3. Small firms do not need to forecast demand .
4. Isoquant are concave to the origin .
5. Ap curve decreases at a diminishing rate.
6. AFC curve slopes downwards.
7. Producers surplus measure a firms profit.
8. TR curve has a downward sloping curve .

**Q.5 (B) Select the correct answer and rewrite the sentence (Any 7)**

**(7)**

1. A normal good can be defined as one which consumer purchase more of as \_\_\_\_\_.
  - a. Price fall
  - b. Price rise
  - c. Income fall
  - d. Income rise
2. Cross elasticity of demand for complementary good is \_\_\_\_\_.
  - a. Negative
  - b. Positive
  - c. Zero
  - d. One
3. The \_\_\_\_\_ method uses time series data .
  - a. Trend
  - b. End use
  - c. Sample survey
  - d. One
4. Isoquant is \_\_\_\_\_ to the origin.
  - a. Concave
  - b. Parallel
  - c. Convex
  - d. Horizontal
5. When TP is maximum, MP is \_\_\_\_\_.
  - a. Zero
  - b. Negative
  - c. Maximum
  - d. Constant
6. Physical quantities of inputs refer to \_\_\_\_\_.
  - a. Opportunity cost
  - b. Sunk cost
  - c. Real cost
  - d. Implicit cost
7. Under \_\_\_\_\_ price = AR = MR .
  - a. Perfect competition
  - b. Monopoly
  - c. Oligopoly
  - d. Imperfect competition
8. Under monopoly \_\_\_\_\_.
  - a. MR curve is below AR curve .
  - b. MR and AR curves are the same.
  - c. MR curve is above AR curve .
  - d. None of the above.
9. The slope of the TC curve is measured by \_\_\_\_\_.
  - a. Average cost
  - b. Opportunity cost
  - c. Real cost
  - d. Marginal cost
10. A firm is at break even point when \_\_\_\_\_.
  - a.  $TR > TC$
  - b.  $TR < TC$
  - c.  $TR = TC$