Extra

VCD 25/11/19 /FYBCOM/SEM – I/BUSINESS ECONOMICS/100Marks/2.HRS.

Note: i) All questions are compulsory

ii) Draw neat diagram

iii) Figures to the right indicate full marks

Q 1. A) Select the best answer from the given option and rewrite the statement (10)

1) The sum of the dependent variables is _____
   a) Total b) Average c) Marginal d) None of these
2) The market clearing price is also called the _____
   a) Current price b) Prevailing price c) Equilibrium
   d) None of the above
3) Under oligopoly the firm has a _____ demand curve.
   a) Horizontal b) Vertical c) Upward sloping d) Kinked
4) Expert opinion is a _____
   a) Survey method b) Statistical method c) Both a and b
   d) None of the above
5) Productionreefer's to _____
   a) Production function b) Creation of utilities
   c) Production output d) Transformation
6) External economies occurs when _____
   a) Size of firm expand b) Economy grows c) Size of industry expand
   d) All of the above
7) The rent of a factory is an example of _____
   a) Variablecost b) Fixed cost c) Both a and b d) Neither a nor b
8) In long run _____
   a) All cost are variable b) Cost tends to constant c) Shape of lac is always "L"
   d) None of the above
9) Accounting cost does not include _____
   a) Payment made to the accountants b) Rent paid to the landlord
   c) Interest of own money invest by the entrepreneur
   d) Both a and c
10) _____ causes lac curve to rise
   a) Internal economies b) Economics and diseconomies
   c) Externaldiseconomies d) External economies
11) _____ is known as on profit o loss
   a) Marginal point b) Break – even point c) point of origin
   d) None of the above
12) Safety margin is the difference between _____
   a) TR and TC b) TR and TFC c) AC and MC d) Sales and BEP

Q 1. B) Match the concept with its appropriate description (any 10) (10)

1. Marginal concept	a) Combination of labour and capital
2. Functional relations	b) MC = AC
3. Market demand curve	c) MR and Cost
4. Few sellers	d) fc (QVF)
5. Demand function	e) Total cost
6. Elasticity of demand €	f) Oligopoly
7. Quantitative method	g) Downward sloping
8. Isoquant	h) Cost volume profit analysis
9. Total product	i) $D_x = F(P, Y, T, A \ldots..)$
10. Minimum average cost	j) AR / AR - MR
11. TFC + TVC	k) Statistical method
12. Break – even analysis	i) Denoted by " f"

Q 2. Attempt A and B or C and D (07)

a) Elucidate the scope of Business Economics. (08)

b) Given the following data :

q	1	2	3	4	5	6
q	30	25	20	15	10	5

i) Calculate TR , AR and MR

ii) Explain the relationship TR , AR and MR

OR

c) Explain how slopes of liner and non – liner curves are measured. (07)

d) Discuss Market equilibrium with the help of diagram. (08)

Q 3. Attempt A and B or C and D (07)

a) Discuss income elasticity of demand

b) Calculate price elasticity of demand , if price falls from Rs . 200 to Rs. 100 and demand increases from 300 to 350 units. (08)

OR

c) Explain importance of Elasticity of demand. (07)

d) Discuss the significanceof Demand – Forecasting. (08)

Q 4. Attempt A and B or Cand D

a) Explainthe meaning of Isoquant and what its properties are. (07)

b) Discuss Laws of Returns to scale with the help of diagram. (08)

OR

c) Discuss in detail internal economies of scale. (07)

d) Explain types of production function with the help of diagram. (08)

Q 5. Attempt A and B or C and D

a) Given TFC as 60 and the following data, calculate TVC , MC and AVC, AFC and AC (07)

Q	1	2	3	4	5
TC	15	30	45	60	75

b) Distinguish between Short run and Long run cost (08)

OR

c) Discuss the Short run average cost and output with the help of diagram. (07)

d) Discuss the meaning of Break – even – point and explain its determination. (08)

Q 6. Attempt A andB or Write short notes (any 4_)

a) Define market and discuss Nature of demand curve on different market. (10)

b) Discuss long run average cost curve with the help of diagram.

Q 6. Write short notes on (any 4) of the following : (20)

1. Changes in supply
2. Steps in demand furcating
3. Ridge lines
4. Long run marginal cost
5. Economiesof scope
6. Business applications of break – even analysis