

- Note: i) All questions are compulsory
ii) Figure to the right indicates full marks.
iii) Draw diagram wherever necessary.

Q.1 a) State whether the following statements are True or False (any 8) (08)

1. Business economics is not related to other disciplines such as Micro economics Macro – economics.
2. Negative relationship implies the variables move in same directions.
3. In a perfectly competitive market, the market demand curve is upward sloping line.
4. Demand forecasting is not same as sales forecasting.
5. Two Iso – product curves can cut each other.
6. Incremental costs are the costs which vary with the decision.
7. There is no competition in Monopoly.
8. The price tends to be sticky or rigid cost oligopoly.
9. Average cost is the change in the total cost that arises when the quantity produced is incremented by one unit.
10. Quality discount is allowed to encourage a buyer to purchase in bulk.

b) Match the following (any 7) (07)

- | | |
|------------------------------|---|
| 1. Incremental concept | a. Natural factor |
| 2. Average | b. Substitutes |
| 3. Positive cross elasticity | c. Per unit value |
| 4. Delphi method | d. $TP_n - TP_{n-1}$ |
| 5. Marginal product | e. Changes in total cost and revenue |
| 6. Zero variable cost | f. Charging higher price at home and low at world market. |
| 7. Homogenous product | g. $TR_n - TR_{(n-1)}$ |
| 8. Natural monopoly | h. Perfect competition |
| 9. Dumping | i) Zero output |
| 10. Marginal revenue | j) Survey method |

Q 2. a) Explain the Law of Demand and its assumptions. (08)

b) Discuss the difference between Marginalize and incrementalism. (07)

OR

c) Discuss Market equilibrium with the help of diagram.

d) Explain how slopes of linear and non – linear curves are measured. (08)

(07)

- Q 3. a) Explain the meaning of Isoquants and What are its properties? (08)
b) Discuss Relationship between AC, AFC, AVC and MC with the help of diagram. (07)

OR

- c) The total fixed cost incurred by a firm is Rs. 2,000 /- . Calculate TC, AC and VC from The following data : (08)

Unit	1	2	3	4	5
MC	150	300	450	600	750

- d) Discuss Internal economics of scale. (07)

- Q 4. a) Explain the equilibrium of a monopoly firm. (08)
b) Elucidate the role of Advertisement in brief. (07)

OR

- c) Define " Market" and explain different types of Market. (08)
d) Explain collusive oligopoly with the help of diagram. (07)

- Q 5. a) Discuss equilibrium of price discriminating monopolist with the help of diagram. (10)
b) Explain merits and demerits of full cost pricing. (10)

OR

- c) Write short notes on (any 3) (15)
1. Changes in supply.
2. Significance of Demand forecasting
3. Ridge lines
4. Short run and long run production function
5. Conditions for price discrimination.