NOTE: 1]All Questions are Compulsory   2] Figures to right indicates full marks

Q.1 Answer the following (Any 2)   (15Mks)
  a) Difference between Extension and Contraction of Demand.
  b) Consumer's Surplus with the help of diagram.
  c) Meaning and Importance of Demand forecasting.

Q.2 Explain the following (Any 2)   (15Mks)
  a) Meaning and properties of Isoquants.
  b) Producer's Equillibrium with the help of diagram.
  c) Internal and External Economies of Scale.

Q.3 Attempt any Two.   (15Mks)
  a) Explain the geometrical relationship between AR and MR
    curve under Monopoly.
  b) What is profit maximisation?Explain it with the help of diagram.
  c) What are the variables influencing of the Break-Even analysis.

Q.4.(A) State weather the statements are True or False with reasons.   (08Mks)
  (Any 4)
  1. There are no exceptions to the law of demand.
  2. The government taxes those goods heavily which have elastic demand.
  3. In the short-run all cost are variable.
  4. Optimum production is achieved when MC=Price.
  5. Under monopoly AR curve is below MR curve.
  6. Maximisation of sales is not an important objective of the firm.

  (B) Select the correct answer from the alternatives given and rewrite the
sentence (Any 7)   (7Mks)
  1. _____ explains the inverse relationship between the demand
    and price.
    a) Price Effect   b) Income Effect
    c) Advertisement Effect   d) Substitution effect

  2. Income elasticity of demand for necessities is equal to _____.
    a) One   b) Greater than one
    c) Less than one   d) Zero

  3. _____ method make use of historical data and demand
  determinants of forecaste demand
    a) Market Experiments   b) Consumer survey
    c) End-use   d) Statistical

  4. _____ lines imply least cost combination of input.
    a) Price line   b) Iso-cost line
    c) Scale line   d) Straight line