

Note: 1. All questions are compulsory.

Q1 A) Fill in the Blanks (Any 8)

08

1. Supply Curve is _____ sloping.
a. upward b. downward. c. horizontal
2. Market demand is derived by adding up all _____ demand.
a. Individual b. equal c. same
3. Negative income elasticity = _____ Goods.
a. Inferior b. normal c. superior
4. Equilibrium point means demand = _____.
a. Direct b. Supply c. slope
5. The market demand curve slopes _____ from left to right.
a. Upward b. downward. C. horizontal
6. Market supply is derived by adding up all _____ supply.
a. Individual b. equal c. same
7. Opportunity cost is also called as _____ cost.
a. Total b. average c. alternative
8. A case of decrease in supply, demand remaining unchanged equilibrium price _____.
a. Falls b. rises c. constant
9. Fixed Cost is regarded as _____ Cost.
a. Avoidable b. Unavoidable c. Variable
10. Transfer pricing refers to _____ pricing.
a. Inter -firm. b. Intra-firm c. monetary

(B) State whether the following statements are True or False (Any 7).
07

1. Total is per unit value.
2. The market demand schedule shows the direct relationship between price and quantity demanded.
3. Demand varies directly with price
4. In case of inferior goods income elasticity of demand is positive
5. Expert opinion method is more accurate and reliable
6. The iso-quants are concave to the origin.
7. The break-even point, the company makes loss.
8. In perfect competition there in large numbers of buyers and single seller.
9. The monopolist has full control over market supply.
10. Production cost includes advertisement expenditure.

- Q2.A. Explain nature of demand curve under perfect competition. 08
B. Explain in detail promotional elasticity of demand. 07

OR

- C. What is significance of demand forecasting? 07
D. Explain Cross elasticity of demand with diagram. 08

- Q3. A Write a note on economic of scale 08
B. What do you mean by BEP? Write note on its formula. 07

OR

- C. Explain relationship between AC and MC 08
D. Write note on limitation of break even point 07

- Q4.A. Write note on Source of monopoly 08
B. Compare feature of different market structure. 07

OR

- C. Write a note on characteristics of monopolist competition. 08
D. Explain short run equilibrium of industry under perfect competition. 07

Q5, Short Notes (Any Three)

15

1. Write note on Dumping
2. Advantages of price discrimination
3. Individual Demand curve
4. Use of Marginal analysis in decision making.
5. Scope of Business Economics.

OR

- Q.5 Explain in brief Individual and Market supply

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