

Note: All questions are compulsory.

Q1. Case Study: (15 mark)

Three brothers Lorenzo, Riario, Francesco went ahead to start their own businesses. Lorenzo met a young scientist and engineered a revolutionary device, which only he could produce and sell. He earned good profits in monopoly.

Francesco went ahead and started a local soap producing company. He sold goods to local shopkeepers and supermarkets. He made a reputation in monopolistic competition.

Riario befriended a multimillionaire and convinced him to start an automobile company with him in mutual agreement.

- A. What kind of market structure Lorenzo's operates in? State its features. (5)
- B. Discuss Riario's business market structure. (5)
- C. Differentiate between Francesco's and Lorenzo's market structure. (5)

Q2. State the law of demand with example. Mention its assumptions. What are the major exceptions to the law of demand. (15)

OR

- A. Explain the movement along the supply curve and shifts of supply curve. (7)
- B. Distinguish between monopolistic competition and oligopoly. (8)

Q3. What is "Income elasticity of demand"? Explain it with diagram. Discuss cross elasticity of demand and promotional elasticity of demand. Explain how it differ from price elasticity of demand. (15)

OR

- A. Distinguish between: (7)
 - i) Joint demand and Composite demand
 - ii) Direct demand and Derived Demand
- B. Discuss the basic concepts of wealth, welfare and scarcity. Explain features of micro economics. (8)

Q4. What do you understand by "Elasticity of Supply" Mention and explain its types with the help of diagram and example mention various factors influencing supply. (15)

OR

- A. Differentiate between micro and macro economics. (7)
- B. Explain characteristic features of depression and prosperity phase of trade cycle. (8)

Q5. Write Short notes: (Any-3) (15)

1. Balanced and Unbalanced budget
2. GNP and NNP
3. Unemployment
4. National Income
5. New economic policy