SHRI S.H.KELKARCOLLEGE OF ARTS,COMMERCE AND SCIENCE,DEVGAD

(SINDHUDURG)

SEMISTER I, OCTOBER 2023

COURSE :- BUSINESS ECONOMICS -1 | **CLASS:- FYBMS**

DURATION :- 2.30 Hrs. | **MAX.MARKS :-75**

N.B: 1)Attempt all questions

2)Figures at right indicates marks.

Q.1 A) Match the following __________ (Any 8 Out of 10) **(8)**

A		B	
1	Composite demand	1	Internal economics of scale
2	Positive cross elasticity of demand	2	Equilibrium
3	Division of labour	3	Market segment demand
4	Multiple products	4	Marginal product
5	Price<ABC	5	Budget line
6	MR=MC	6	Shut down point
7	Subdivision of market demand	7	Zero income elasticity
8	Isocost line	8	Electricity.
9	TPn-TPn-1	9	Substitutes.
10	Demand of salt	10	Economics of scope

Q 1. B) State the following statements true or false. (Any 7 Out of 10) **(7)**

1) Veblen effect explain to the low of demand.
2) Demand is inversely related to price.
3) When demand is perfectly elastic the demand curve will be a vertical straight line.
4) Devaluation will succeed only when demand for exports and import is elastic.
5) Demand forecasting is done only by large scale industries.
6) Cobb-dauglas production function is a non-linear function.
7) Production function is a stock concept.
8) The size of a firm is limited by diseconomies of scale.
9) A good demand forecasting method should be flexible, simple and accurate.
10) learning curve indicates the relationship between decrease in output and increase in cost of production.

Q.2 A) Explain in detail with the help of an example the concept of production possibility curve. **(8)**

B) Explain the determination of equilibrium prize in a market economy. **(7)**

OR

A) Explain the various revenue concepts under the different market structures.

B) Explain the various factors which influence demand and supply. (7)

Q.3 A) Explain with suitable diagrams the different types of price elasticity of demand. (8)

B) Discuss the factors which influence elasticity of demand. (7)

OR

A) Describe in detail the different methods of demand forecasting. (8)

B) Using the TR-TC approach calculate the profit maximising level of output. (7)

Units of output	1	2	3	4	5	6
Total cost	25	28	35	44	65	95

Q.4 A) Explain short run equilibrium of the firm and industry under perfect competition with suitable diagrams. (8)

B) Define perfect competition. Explain it's features. (7)

OR

A) What are isoquants? What are their properties? (8)

B) From the following data calculate TVC, MC, AC and AFC. (7)

Unit of Output	0	1	2	3	4	5	6	7	8
Total Cost	50	120	170	180	210	260	340	440	580

Q.5 A) Define monopolistic compition explain its characteristics with suitable examples. (8)

B) Explain producer's equilibrium with suitable diagrams. (7)

OR

Q.5) Short Notes on any Three (15)

1) Optimum Firm
2) Expansion path
3) Time series Analysis
4) Exception to the law of demand
5) Diseconomies of scale