

(i) Printed Pages : 2

Roll No.

(ii) Questions : 9

Sub. Code :

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Exam. Code :

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Bachelor of Commerce 1st Semester

(2123)

BUSINESS ECONOMICS-I

Paper : BCM-104

Time Allowed : Three Hours]

[Maximum Marks : 80

Note :— Attempt **four** short answer type questions from Section A.
Attempt **two** questions each from Sections B and C
respectively.

SECTION-A

I. Attempt any **four** of the following. Each question carries **5** marks.

- (a) Define cross elasticity of Demand.
- (b) Explain Diamond-Water Paradox (Paradox of value).
- (c) Explain the law of Diminishing Marginal Rate of Substitution.
- (d) Define the concept of opportunity cost.
- (e) Discuss the relationship between average revenue, marginal revenue and elasticity of demand.
- (f) What is Price Discrimination ? Discuss when it is possible.

5×4=20

SECTION-B

- II. Define Law of demand and explain why does the demand curve slope downwards to the right. Discuss Movement along the demand curve and shift in demand curve. 10,5
- III. Define Elasticity of Demand. How the price elasticity of demand be measured ? Explain with the help of any three methods. 5,10
- IV. Explain consumer's equilibrium with the help of utility analysis. 15
- V. What is indifference curve ? Show the income effect, substitution effect and price effect with the help of indifference curve analysis. 5,10

SECTION-C

- VI. Explain the Law of Variable proportions and its various stages. Which stage is best for production and why ? Why does this law apply ? 6,3,6
- VII. Discuss the various concepts of cost curves. Also discuss the relationship between AC and MC. 10,5
- VIII. Explain the role of time element in price determination. 15
- IX. Explain the features of monopolistic competition. How price and output are determined under it ? 5,10