

2051
Bachelor of Commerce
First Semester
BCM-104: Business Economics – I

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt four short answer type questions from Section–A. Attempt two questions each from Section B and C respectively.

x-x-x

Section – A

I. Attempt any four of the following:-

- a) Distinguish between Marginal and Total Utility.
- b) Explain law of Diminishing Marginal Rate of Substitution.
- c) Define Cross Elasticity of Demand.
- d) Conditions of firm's equilibrium under perfect competition.
- e) Differentiate between short run and long run.
- f) Write five features of monopoly. (4x5)

Section - B

- II. Critically explain the Law of Diminishing Marginal Utility. (15)
- III. Distinguish between increase and extension in demand and decrease and contraction in demand. (15)
- IV. Explain 'Price Effect' with the help of Indifference Curve Approach. Show with the help of suitable diagram, bifurcation of 'Price Effect' into 'Income Effect' and 'Substitution Effect'. (15)
- V. What is Price Elasticity of demand? Explain various methods to measure it. (15)

Section - C

- VI. Distinguish between internal and external economies and diseconomies of scale. (15)
- VII. Explain the relationship between Total Revenue, Average Revenue, Marginal Revenue and Elasticity of demand. (15)

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(2)

- VIII. What do you mean by Discriminating Monopoly? Determine equilibrium under discriminating Monopoly. (15)
- IX. Distinguish between Monopoly and Perfect Competition. How price determination differ between the two markets. (15)

x-x-x