

Enrolment No.....



Faculty of Commerce / Management Studies

End Sem (Odd) Examination Dec-2022

CM3EG11 / MS3EG13

Micro Economics / Business Economics -I

 Programme: B. Com (Hons.) Branch/Specialisation: Commerce/
 / BBA Management

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. Economics is a science which deals with_____. **1**
 (a) Matters and substance
 (b) Chemicals and reactions
 (c) Human wants and resources
 (d) Numbers and combinations
- ii. _____ economics focuses on the functioning of business **1**
 enterprises.
 (a) Industrial (b) Agricultural
 (c) Business (d) Labour
- iii. Perfectly elastic demand curve is a _____ curve. **1**
 (a) U shaped (b) L shaped (c) Horizontal (d) Vertical
- iv. According to the law of demand, price, and demand for a good are **1**
 _____.
 (a) Positively related (b) Directly related
 (c) Negatively related (d) Unrelated
- v. Wages is _____ cost of the production. **1**
 (a) Fixed (b) Variable
 (d) Opportunity (d) None of these
- vi. Iso-Quant curve have the characteristics like- **1**
 (a) Iso-Quant curve never intersect each other
 (b) Iso-Quant curve neither touch any axis
 (c) Iso-Quant curve convex to the origin
 (d) All of these

P.T.O.

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- vii. The demand curve faced by a monopolistic competitive firm is- **1**
 (a) Perfectly elastic (b) Elastic
 (c) Unit elastic (d) Inelastic
- viii. Kinked demand curve is associated with- **1**
 (a) Perfect competition (b) Oligopolistic competition
 (c) Imperfect competition (d) Monopolistic competition
- ix. Which of these is not theory of profit? **1**
 (a) Clark's dynamic theory
 (b) Hawley's risk theory
 (c) Thomas personality theory
 (d) Innovation theory
- x. Which theory of interest is known as real theory of interest? **1**
 (a) The classical theory of interest
 (b) The neo- classical theory of interest
 (c) The modern theory of interest
 (d) None of these
- Q.2 i. What is fundamental nature of micro economics? **2**
 ii. What is the profit maximization? Explain. **3**
 iii. Explain the Marris hypothesis of maximization of growth rate. **5**
- OR iv. Explain Baumol's sales revenue maximization. **5**
- Q.3 i. What is cardinal utility approach? **2**
 ii. What is elasticity of demand? Explain the types of elasticity of demand. **8**
- OR iii. Explain the following: **8**
 (a) Indifference curves (b) Marginal rate of substitution
 (c) Law of demand (d) Determinants of demand
- Q.4 i. Explain the concept of revenue. **3**
 ii. Explain the terms: **7**
 (a) Iso Quants (b) Law of variable proportion
- OR iii. What is cost? Explain the different types of costs. **7**
- Q.5 i. What is non pricing competition and concept of cartel formation? **4**
 ii. What is perfect competition? Explain the price and output determination under perfect competition. **6**

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- OR iii. What is monopoly? Explain the price and output determination under monopolistic competition. **6**
- Q.6 Attempt any two:
 i. What is profit? Explain any two theories of profit. **5**
 ii. What is meaning of interest? Explain any two theories of interest. **5**
 iii. Write short note on demand for the factors and supply of factors. **5**

Marking Scheme CM3EG11 / MS3EG13
Micro Economics / Business Economics -I

Q.1	i.	Economics is a science which deals with_____.	1
		(c) Human wants and resources	
	ii.	_____ economics focuses on the functioning of business enterprises.	1
		(c) Business	
	iii.	Perfectly elastic demand curve is a _____ curve.	1
		(c) Horizontal	
	iv.	According to the law of demand, price, and demand for a good are _____.	1
		(c) Negatively related	
	v.	Wages is _____ cost of the production.	1
		(b) Variable	
	vi.	Iso-Quant curve have the characteristics like-	1
		(d) All of these	
	vii.	The demand curve faced by a monopolistic competitive firm is-	1
		(b) Elastic	
	viii.	Kinked demand curve is associated with-	1
		(b) Oligopolistic competition	
	ix.	Which of these is not theory of profit?	1
		(c) Thomas personality theory	
	x.	Which theory of interest is known as real theory of interest?	1
		(a) The classical theory of interest	
Q.2	i.	Fundamental nature of micro economics	2
	ii.	Profit maximization	3
	iii.	Marris hypothesis of maximization of growth rate.	5
		Concept 2 marks Assumptions 1 mark Explanation & Criticism 2 marks	
OR	iv.	Baumol's sales revenue maximization. As per the explanation	5
Q.3	i.	Cardinal utility approach	2
	ii.	Elasticity of demand	8
		Types of elasticity of demand.	6 marks

OR	iii.	Explain the following:		8
		(a) Indifference curves	2 marks	
		(b) Marginal rate of substitution	2 marks	
		(c) Law of demand	2 marks	
		(d) Determinants of demand	2 marks	
Q.4	i.	Concept of revenue.		3
	ii.	Explain the terms:		7
		(a) Iso Quants Concept	2 marks	
		Explanation	1.5 marks	
		(b) Law of variable proportion Concept	2 marks	
		Explanation	1.5 marks	
OR	iii.	Cost	2 marks	7
		Any five types of costs	5 marks	
Q.5	i.	Non pricing competition	2 marks	4
		Concept of cartel formation	2 marks	
	ii.	Perfect competition	2 marks	6
		Price and output determination under perfect competition	4 marks	
OR	iii.	Monopoly	2 marks	6
		Price and output determination under monopolistic competition	4 marks	
Q.6		Attempt any two:		
	i.	Profit	1 mark	5
		Any two theories of profit	4 marks	
	ii.	Interest	2 marks	5
		Any two theories of interest	4 marks	
	iii.	Demand for the factors and supply of factors		5
		As per the explanation		
