Enrollment No.....................................

Faculty of Commerce / Management Studies
End Sem Examination Dec-2023
CM3EG11/ MS3EG13
Micro Economic / 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. Assume suitable data if necessary. Notations and symbols have their usual meaning.

Q.1   i.   Maximisation of Growth rate hypothesis is given by-   **1**
       (a) Robin Marris   (b) Prof Baumol
       (c) Adam smith   (d) J. S. Mill

   ii.   _____ means reasoning or inference from the general to the particular or from the universal to the individual.   **1**
       (a) Inductive method   (b) Deductive method
       (c) Both (a) and (b)   (d) Random method

  iii.   When total utility is highest then marginal utility will be _____.   **1**
       (a) Minimum   (b) Maximum
       (c) Zero   (d) Average

   iv.   The demand curve will be upward sloping with the following variable/s-   **1**
       (a) Income   (b) Population
       (c) Both (a) and (b)   (d) Price

    v.   Which one cost will not change with the output?   **1**
       (a) Variable cost   (b) Fixed cost
       (c) Average cost   (d) Marginal cost

   vi.   The total cost for three products is Rs. 120, as the 4th product is produced the total cost become Rs.135. Calculate the marginal cost for 4th product.   **1**
       (a) 65   (b) 30
       (c) 15   (d) None of these

vii. In which competition the advertising cost is zero? **1**
    (a) Oligopoly   (b) Monopolistic
    (c) Perfect   (d) Cartel

viii. In the short run a monopoly firm will get _____. **1**
    (a) Super normal profit   (b) Normal profit
    (c) Loss   (d) All of these

ix. As per dynamic theory of profit, profit is arising due to- **1**
    (a) Population is increasing
    (b) Capital is increasing
    (c) Methods of production are improving
    (d) All of these

x. According to classical theory, the rate of interest is a reward for **1**
_____.

    (a) Demand   (b) Investment
    (c) Saving   (d) Capital

Q.2 i. Define microeconomics. Discuss the scope of microeconomics. **4**
  ii. What do you mean by inductive method. Explain its merits and **6** demerits.
OR iii. Explain Baumol's sales revenue maximization concept with **6** assumptions.

Q.3 i. Discuss the elasticity of demand for a rational person. Explain with the **4** help of diagram.
  ii. Write the concept of diminishing marginal utility. Law of diminishing **6** marginal utility is the base for the new designed products. Discuss it with example.
OR iii. Define price elasticity of demand. Explain types of price elasticity of **6** demand with example.

Q.4 i. Write note on revenue and its types. **3**
  ii. What do you mean by cost? Explain various types of costs with table **7** and diagram.
OR iii. Critically explain the law of variable proportions with assumptions, **7** graph and table.

Q.5 i. Define perfect competition. Write the characteristics of perfect **4** competition.
  ii. What do you mean by monopolistic competition? Explain the price **6** and output determination of a monopolist firm in short run.
OR iii. Write the concept of monopoly price discrimination. Explain the price **6** and output determination of a monopoly firm in short run.

Q.6   Attempt any two:
  i. Explain with diagram demand for factors and supply of factors. **5**
  ii. Critically explain classical theory of interest. **5**
  iii. What do you mean by profit? Explain any one theory of profit. **5**

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Scheme of Marking

CM3EG11 Micro Economics

Q.1

i) Maximisation of Growth rate hypothesis is given by.　　**1**
a) Robin Marris

ii) ………….means reasoning or inference from the general to the particular or from the universal to the individual.　　**1**
b) Deductive method

iii) When total utility is highest then marginal utility will be…　　**1**
c)Zero

iv) The demand curve will be upward sloping with the following variable/s　　**1**
c)Both (a) and (b)

v) Which one cost will not change with the output?　　**1**
b) Fixed cost

vi) The total cost for three products is Rs. 120, as the 4th product is produced the total cost become Rs.135. Calculate the marginal cost for 4th product.　　**1**
c)15

vii) In which competition the advertising cost is zero?　　**1**
c)Perfect

viii) In the short run a monopoly firm will get …　　**1**
d) All of the above

ix) As per dynamic theory of profit, profit is arising due to　　**1**
d) All of the above

x) According to classical theory, the rate of interest is a reward for……　　**1**
c) Saving

Q.2

i. Define microeconomics.　　01 Marks　　**4**
　　Discuss the scope of microeconomics　　03 Marks

ii. Meaning inductive method　　02 marks　　**6**
　　Explain its merits and demerits　　04 marks

OR iii. Write Concept　　02 marks　　**6**
　　Explanation of the concept　　03 marks
　　Criticism of the concept　　01 mark

Q.3 i. Discuss the elasticity of demand for a rational person. Explain with the help of diagram.　　**4**

ii. Write the concept of diminishing marginal utility　　02 marks　　**6**
　　Law of diminishing marginal utility is the base for the new designed products.　　04 marks

OR iii. Define price elasticity of demand.　　01 mark　　**6**
　　Explain types of price elasticity of demand　　05 marks

Q.4 i. Define the revenue　　1 mark　　**3**
　　Any two types of revenue　　2 marks

ii. What do you mean by cost　　02 marks　　**7**
　　Any five types of costs with table and diagram　　05 marks

OR iii. Concept　　02 marks　　**7**
　　Assumptions　　01 mark
　　Explanation with table and diagram　　03 marks
　　Criticism　　01 mark

Q.5 i. Define perfect competition.　　02 marks　　**4**
　　Write the characteristics of perfect competition　　02 marks

ii. What do you mean by monopolistic competition　　01 mark　　**6**
　　Price and output determination of a monopolist firm in short run　　05 marks

OR iii. Monopoly price discrimination　　03 marks　　**6**
　　Price and output determination of a monopolist firm in short run　　03 marks

Q.6

i. Explain with diagram demand for factors and supply of factors.　　**5**

ii. Concept of interest　　01 mark　　**5**
　　Explain with diagram　　03 marks
　　Criticism of the theory　　01 mark

iii. What do you mean by profit　　01 mark　　**5**
　　Explain any one theory of profit　　04 marks

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