

- Q.21 Explain law of diminishing marginal utility.  
 Q.22 What are the main assumptions of law of Demand?  
 Q.23 What do you mean by Consumer's Equilibrium?  
 Q.24 Write any two main features of monopoly.  
 Q.25 Define GDP (Gross Domestic Product).  
 Q.26 Write a note on elasticity of demand.  
 Q.27 What is the difference between individual demand and market demand?  
 Q.28 What do you understand by Average Revenue?  
 Q.29 What is Break-even Point?  
 Q.30 What is Average Cost? How do you compute it?  
 Q.31 Write two characteristics/features of Indifference Curve.  
 Q.32 Explain any two methods used to forecast demand.  
 Q.33 What is meant by substitution effect?

#### SECTION-D

- Note:** Long answer type questions. Attempt any three questions out of four questions. (3x8=24)  
 Q.34 What are the main determinants of demand? Explain in detail how these factors affect demand of a commodity.  
 Q.35 What is Law of Variable Proportions? Explain with the help of a table and diagram.  
 Q.36 Write a detailed note on different forms of market.  
 Q.37 Discuss in detail the method of measuring national income.

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### 1st Year / FAA Subject : Business Economics

Time : 3 Hrs.

M.M. : 90

#### SECTION-A

**Note:** Multiple choice questions. All questions are compulsory (9x1=9)

- Q.1 Car and Petrol are examples of:  
 a) Complementary Goods  
 b) Supplementary Goods  
 c) Giffen Goods  
 d) Substitute Goods
- Q.2 Goods which can be used in place of each other are examples of:  
 a) Complementary Goods  
 b) Supplementary Goods  
 c) Giffen Goods  
 d) Substitute Goods
- Q.3 Want-satisfying power of a commodity is called:  
 a) Utility                      b) Consumption  
 c) Demand                    d) Supply
- Q.4 When the price of a commodity increases, its quantity demanded:  
 a) Increases                      b) Decreases  
 c) Doesn't change              d) None of the above

- Q.5 Change in Total Revenue (TR) when an additional unit of commodity is sold is called:  
 a) Marginal Revenue (MR)  
 b) Average Revenue (AR)  
 c) Profit  
 d) None of the above
- Q.6 A market where there is only one seller of the commodity:  
 a) Monopoly                      b) Perfect Competition  
 c) Oligopoly                      d) None of the above
- Q.7 Which of these is ***not*** a type of economy:  
 a) Socialist                      b) Capitalist  
 c) Oligopoly                      d) Mixed
- Q.8 The market for soaps in India is an example of:  
 a) Monopoly  
 b) Monopolistic Competition  
 c) Perfect Competition  
 d) Duopoly
- Q.9 Short-run Average Cost curve is :  
 a) U-shaped  
 b) Inverted U-shaped  
 c) Horizontal (parallel to OX-axis)  
 d) Vertical (parallel to OY-axis)

### SECTION-B

**Note:** Objective/completion type questions. All questions are compulsory. (9x1=9)

- Q.10 Microeconomic is the study of economic activities at the level of an individual, while \_\_\_\_\_ is the study of economic activities at the level of economy as a whole. (Macro-economics/Meso-economics)

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- Q.11 In \_\_\_\_\_ economy, both private and public sectors co-exist. (Capitalist / Mixed)
- Q.12 A curve which shows combination of two goods which provide equal satisfaction to a consumer is called \_\_\_\_\_ (Indifference Curve / Demand Curve)
- Q.13 \_\_\_\_\_ is the sum of income of all normal residents of a country. (National Income / Per Capita Income)
- Q.14 \_\_\_\_\_ are examples of complementary goods. (Pepsi and Coke / Bread and Butter)
- Q.15 Tea and Coffee are examples of \_\_\_\_\_ (Complementary Goods / Substitute Goods)
- Q.16 \_\_\_\_\_ is a table showing the relationship between price of a commodity and its quantity demanded. (Demand Schedule / Price Schedule)
- Q.17 A point where consumer gets maximum satisfaction and does not want to change her consumption pattern is known as \_\_\_\_\_ (Consumer Equilibrium / Producer Equilibrium)
- Q.18 \_\_\_\_\_ point is a point where there is no profit and no loss. (Break-even / Shut-down)

### SECTION-C

**Note:** Short answer type questions. Attempt any twelve questions out of fifteen questions. (12x4=48)

- Q.19 Write a detailed note on scope of business economics.
- Q.20 What are the main features of socialist economy?

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