

SECTION-D

Note: Long answer type questions. Attempt any two questions out of three questions. (2x8=16)

Q.23 Explain the law of returns to scale.

Q.24 Define and state the law of demand. Show it through a demand schedule and demand curve.

Q.25 Define nature and scope of business economics in detail.

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2nd Sem. / Fin., Acc & Aud., Business Management

Subject : Business Economics

Time : 3 Hrs.

M.M. : 60

SECTION-A

Note: Multiple choice questions. All questions are compulsory (6x1=6)

Q.1 Income elasticity of demand for inferior goods is

- a) Positive
- b) negative
- c) zero
- d) greater than zero

Q.2 Which of the following forms of market is most likely to be observed in automotive industry.

- a) Perfect competition
- b) monopolistic
- c) oligopoly
- d) Monopoly

Q.3 The short run production function is called

- a) Return to scale
- b) Law of variable proportion
- c) Production possibility frontier
- d) none of these

- Q.4 The relationship between price and quantity demanded is
a) Direct b) Inverse
c) Linear d) non-linear
- Q.5 The shape of Supply curve is
a) Downward Slopping
b) Upward slopping
c) Vertical
d) Horizontal
- Q.6 What cost will be payable even if the company is closed.
a) cost of shutdown
b) cost of the historical record
c) Cost of sunk
d) Imputed cost

SECTION-B

Note: Objective/ Completion type questions. All questions are compulsory. (6x1=6)

- Q.7 Name the factors of production.
- Q.8 What is individual Demand?
- Q.9 There is free entry and free exit of firms in monopolistic competition. (True/False)

- Q.10 What is supply curve?
Q.11 All input are variable in long run. (True/False)
Q.12 The value of inputs owned and used by a firm is an explicit cost. (True/False)

SECTION-C

- Note:** Short answer type questions. Attempt any eight questions out of ten questions. (8x4=32)
- Q.13 What are the determinants of market demand?
Q.14 Differentiate between Micro & Macro Economics.
Q.15 Write down the characteristics of perfect competition.
Q.16 Explain the extension and Contraction of Supply.
Q.17 Explain in detail about the laws of production.
Q.18 Explain cost functions and its Types.
Q.19 What do you mean by oligopoly market? Write down its characteristics.
Q.20 Explain the meaning and types of market in detail.
Q.21 What do you mean by supply? Explain the law of supply in detail.
Q.22 Differentiate between monopoly, monopolistic and perfect market.