

- Q.25 Define National Income.
- Q.26 Explain the meaning of Total Utility and Marginal Utility.
- Q.27 How does income of a consumer affect demand of a commodity?
- Q.28 What do you understand by Average Revenue?
- Q.29 Write a note on significance of Business Economics.
- Q.30 What is Marginal Cost? How do you compute it?
- Q.31 Explain any one method of measuring National Income.
- Q.32 Explain any two determinants of demand.
- Q.33 What is meant by income effect?

#### SECTION-D

- Note:** Long answer type questions. Attempt any three questions out of four questions. (3x8=24)
- Q.34 What do you mean by elasticity of demand? Explain various methods used to measure elasticity of demand.
- Q.35 Discuss the relationship among Total Revenue (TR), Average Revenue (AR) and Marginal Revenue (MR).
- Q.36 What is meant by perfect competition? Explain various features of perfect competition.
- Q.37 What is consumer's equilibrium? Discuss indifference curve approach to find consumer's equilibrium in detail.

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### First 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 When the price of a commodity decreases, its quantity demanded:
- Increases
  - Decreases
  - Doesn't change
  - None of the above
- Q.2 Goods which are used together to satisfy a particular want are examples of:
- Complementary Goods
  - Supplementary Goods
  - Giffen goods
  - Substitute Goods
- Q.3 Tea and Coffee are examples of:
- Complementary Goods
  - Supplementary Goods
  - Giffen Goods
  - Substitute Goods
- Q.4 The branch of Economics which studies economic activities at the level of an individual is called:
- Micro economics
  - Managerial Economics
  - Meso-economics
  - Macro economics

- Q.5 A curve that shows those combinations of two goods which provide equal satisfaction to consumer:  
 a) Indifference Curve b) Demand Curve  
 c) Supply Curve d) Utility Curve
- Q.6 A market where there are many sellers of a commodity and the products are different yet close substitutes to each other:  
 a) Monopoly  
 b) Perfect Competition  
 c) Monopolistic Competition  
 d) None of the above
- Q.7 Which of these is a type of economy:  
 a) Socialist b) Duopoly  
 c) Oligopoly d) Monopoly
- Q.8 The market for shampoos in India is an example of:  
 a) Monopoly  
 b) Monopolistic Competition  
 c) Perfect Competition  
 d) Duopoly
- Q.9 Short-run Marginal 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 \_\_\_\_\_ is a curve showing the relationship between price of a commodity and its quantity demanded. (Utility Curve / Demand Curve)

- Q.11 In \_\_\_\_\_ economy, only public sector exists. (Capitalist / Socialist)
- Q.12 Demand of a commodity by all the buyers in the market is called \_\_\_\_\_ (Market Demand / Marginal Demand)
- Q.13 Change in Total Utility when an additional unit of a commodity is consumed is called \_\_\_\_\_ (Marginal Utility / Average Utility)
- Q.14 \_\_\_\_\_ are examples of substitute good. (Car and Petrol / tea and Coffee)
- Q.15 Bread and butter are examples of \_\_\_\_\_ (Complementary Goods / Substitute Goods)
- Q.16 \_\_\_\_\_ is the study of economic activities at the level of an individual, while Macroeconomics is the study of economic activities at the level of economy as a whole (Micro-economics / Meso-Economics)
- Q.17 In \_\_\_\_\_ form of market, there is only one seller of the commodity. (Monopoly / Duopoly)
- 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 short note on nature of business economics.
- Q.20 What are the main features of capitalist economy?
- Q.21 Explain law of demand.
- Q.22 What are the main exceptions to Law of Demand?
- Q.23 What do you mean by Duopoly?
- Q.24 Write any two main features of Oligopoly.