

- 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. $(3 \times 8 = 24)$
 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 $(9 \times 1 = 9)$

- Q.1 When the price of a commodity decreases, its quantity demanded:
 a) Increases b) Decreases
 c) Doesn't change d) None of the above
 Q.2 Goods which are used together to satisfy a particular want are examples of:
 a) Complementary Goods
 b) Supplementary Goods
 c) Giffen goods
 d) Substitute Goods
 Q.3 Tea and Coffee are examples of:
 a) Complementary Goods
 b) Supplementary Goods
 c) Giffen Goods
 d) Substitute Goods
 Q.4 The branch of Economics which studies economic activities at the level of an individual is called:
 a) Micro economics
 b) Managerial Economics
 c) Meso-economics
 d) Macro economics

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- 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)

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- 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.

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