FYBFM sem I Reg & A.T.K.T. Exam Nov. 2022

Maximum Marks: 75

Duration : 2 ½ hours   15/11/22

All Questions are Compulsory Carrying 15 Marks each.

Subject: Economics (FYBFM)

Q1 A. Match the Column: (Any 8)   Marks 8

Column A		Column B	
1)	Total Fixed Cost	a)	AC remains constant
2)	Variable Cost	b)	At the lowest point of AC
3)	Marginal Cost	c)	Equal to change in total variable cost
4)	MC=AC	d)	Zero when output is zero
5)	MC cuts AC	e)	Remains constant
6)	Long run	f)	Planning horizon
7)	Planning curve	g)	Long- run average cost curve
8)	Opportunity cost	h)	Are geometrical tool to study functions
9)	Business economics	i)	May not always be quantified
10)	Graphs	j)	Uses economic theory and quantitative techniques

Q1 B. State whether the following statements are true or false (Any 7)   Marks 7

1) Economics is the science of choices.
2) In case of a non-linear curve, the slope will be different at different points.
3) Demand for a commodity is only the desire for the commodity.
4) Price expectation is an exception to the Law of Demand.
5) Returns to scale occurs due to indivisibility of some factors.
6) Average cost increases due to increase returns to scale.
7) Break-even analysis helps to determine sales and marketing strategies.
8) At break-even point TR=TC
9) For price discrimination product must differ in quality.
10) In dumping, a monopolist is a price taker in the world market.

Q2. Define Business Economics and its scope.   Marks 15

OR

Q2. Explain the Law of Demand with assumptions, exceptions, schedule and diagram. Marks 15

Q3. What is demand forecasting and explain its methods.   Marks 15

OR

Q3. Explain the law of variable proportions.   Marks 15

OR

Q3. Explain and draw diagrams related to long-run and short firms equilibrium under monopolistic competition   Marks 15

Q4. From the given data below find out the TC, MC, AFC, AVC and ATC. The firms Total Fixed Cost is 100 and explain the relationship between AC, AFC, AVC and MC.   Marks 15

Quantity	0	1	2	3	4	5	6	7	8	9	10
TVC	0	25	40	50	70	100	145	205	285	385	515

OR

Q4. Explain Break-even Analysis theory in detail .   Marks 15

Q5 A. Explain Cost plus Pricing and Multi-product pricing in detail.   Marks 08

Q5 B. What is price discrimination and explain its degrees.   Marks 07

OR

Q5 C. Write Short notes (Any 3)   Marks 15

1) Collusive oligopoly
2) Isoquants
3) Market demand
4) Opportunity cost
5) Cost-output relationship