

Time : 2 Hours

Total Marks: 60

Please check whether you have got right question paper

N.B. 1. All questions are compulsory.

2. Figures to the right indicate full marks

3. Draw neat diagrams wherever necessary

1. (a) Explain the theory of attributers in detail. (8)
- (b) Discuss the consumer's equilibrium with the help of indifference curve and price line. (7)

OR

- (c) What is snob effect? Discuss how it is different from bandwagon effect. (8)
- (d) Explain the paradox of bumper harvest (7)

2. (a) Explain the law of variable proportions with suitable diagram. (8)
- (b) Bring out the relationship between AFC, AVC, ATC and MC with the help of diagram. (7)

OR

- (c) Explain production function with two variable inputs and show economic region of production with the help of ridge lines. (8)
- (d) Discuss different kinds of internal economies in detail (7)

3. (a) What is market structure? Identify the major differences between perfect competition and imperfect competition. (8)
- (b) What is monopolistic competition? Explain its broad features. (7)

OR

- (c) Discuss in detail different sources of Monopoly power (8)
- (d) Explain with a suitable diagram how a dominant firm will decide the price and output under collusive oligopoly. (7)

4. (a) Choose the right option from the following (7)
- i. Opportunity cost of resources already owned by the firm and used in business is called

- a) Implicit cost.
- b) Explicit cost.
- c) Historical cost
- d) Social cost.

- ii. Market failure takes place due to _____.

- a) Perfect information..
- b) Private goods
- c) Public goods.
- d) Perfect competition.

- iii. Total revenue minus total costs is _____.
a) Economic profit
b) Accounting profit.
c) Negative profit.
d) Unexpected profit.
- iv. When there are negative externalities, the price should be adjusted so that is _____.
a) Social cost.
b) Private cost.
c) Historical cost
d) Money cost
- v. The production possibility curve is _____.
a) Convex.
b) Concave.
c) Circle.
d) Straight line.
- vi. Economic inefficiency can be corrected by reducing _____.
a) Production
b) Employment
c) Wastages
d) Competition
- vii. A personal car is an example of _____.
a) Public good
b) Merit good
c) Demerit good
d) Private good

(b) Give precise meaning of the following.

(8)

- a) Business Economics
b) Market economy
c) Marginal principle
d) Invisible hand

OR

4. Write short note on any three of the following

(15)

- a) Market failure
b) Determinants of demand.
c) Applications of elasticity of demand.
d) Learning curve,
e) Basic concepts of game theory.

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