FYBI Eco - I 10/10/13

Lib.

MN10 ACB

TIME : 2 Hrs MARKS : 60

Note : 1. **All questions are compulsory.**
2. **Figures to the right indicate full marks.**
3. **Use of simple calculator is allowed.**

Q.1 Discuss in brief (Any three) (15)

a. Determinants of demand.
b. Fixed cost and variable cost.
c. Features of monopolistic competition.
d. Cost plus pricing.
e. Promotional elasticity of demand.

Q.2 Write Short notes on (Any three) (15)

a. Relationship between AC & MC.
b. Long run equilibrium of a firm under perfect competition with normal profit.
c. Concepts of revenue.
d. Percentage or ratio method of measuring elasticity of demand.
e. Micro economics.

Q.3 A. What is income elasticity of demand? Explain with a suitable diagram different types of income elasticity of demand. (8)

B. The total fixed cost is Rs.40/- calculate TVC, AFC, AVC, AC and MC from the following table. (7)

Units of Output	1	2	3	4	5	6	7	8
Total Cost	55	70	100	140	190	250	310	390

1. Explain the concepts of TFC, TVC, AFC, AVC, AC and MC.
2. Give the diagrammatic presentation of the various short - run cost curves.

OR

Q.3 A. Explain the short-run equilibrium of a monopoly firm with excess profit and loss. (8)

B. How is equilibrium price determined in a market economy? (7)

Q.4 A. What are equal product curves? What are their properties? (10)

B. Find out the relationship between the two goods using cross elasticity of demand. (5)

OR

Q.4 **A.** Explain in detail with the help of an example and a diagram the concept of production possibility curve. **(10)**

B. Explain the types of price discrimination. **(5)**