

F.Y.Bcom (B61)

Economics.

OCT-2005 COW

Time :

Marks :

- N.B : i) All questions are compulsory.
ii) Draw neat diagrams & schedules wherever necessary.
iii) Figures to the right indicate full marks.

Q.1 A) Define any FOUR of the following concepts.

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- 1) Partial equilibrium.
- 2) Macro economics.
- 3) Product differentiation.
- 4) Income elasticity of demand.
- 5) Opportunity cost.
- 6) Break even point.

B) A demand schedule for ball point pens of Economics students at V.P.M.s college of Banking & Insurance is presented as under.

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Price (Rs.)	6	5	4	3	2	1	0
Q. pen.	0	20	40	60	80	100	120

Find :

- i) Price elasticity of demand when price changes from
a) Rs. 5 to Rs. 3 b) Rs. 3 to Rs. 5
- ii) Price elasticity of demand when demand
a) increase from 60 units to 100 units.
b) decreases from 100 units to 60 units.

Q.2 Do you agree with following statements give reasons. (ANY THREE)

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- 1) Every problem of choice is not an economic problem.
- 2) Even rich countries face an economic problem....
- 3) Production Possibility curve is convex to origin.
- 4) Production Possibility shows outward movement with economic progress.

OR

Q.2 Write Short notes (ANY THREE)

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- 1) Cross Elasticity of demand .
- 2) Effects of changes in demand on equilibrium price.
- 3) Importance of the concept of elasticity of demand.
- 4) Outlay method of estimating elasticity of demand.
- 5) Arc elasticity of demand.

Q.2 A) Explain the meaning & classification of demand forecasting.

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- Q.3 A)** Find F.C., V.C., A.F.C., A.V.C., A.C. & M.C. for the following data. 5
- | | | | | | |
|---------|-----|-----|-----|-----|-----|
| Out put | 0 | 1 | 2 | 3 | 4 |
| | 100 | 150 | 180 | 280 | 460 |
- B)** Explain the relation between AC, AVC & MC. 5
- C)** Write short note on 'Envelope Curve'. 5
- Q.4 A)** Explain how the firm under perfect competition attains equilibrium in short period. 8
- B)** Explain various features of oligopoly. 7
- OR**
- Q.4 A)** "Price under oligopoly tends to be constant" elaborate the statement. 8
- B)** Explain the importance of project planning & the problems involved in it. 7
