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OPTIOAEP

FY BBI.  
Economics I.  
30/9/11

**Time- 2.5 Hours**

**Marks- 75**

**N.B. 1. All questions are compulsory.**

**2. Figures to the right indicate full marks.**

**3. Use of simple calculator is allowed.**

- Q.1 a)** Discuss the percentage & total outlay methods of measuring elasticity of demand. (8)
- b)** Explain the concepts of revenue. (7)

**OR**

- Q.1 a)** Discuss the types of internal economies of scale. (8)
- b)** Examine the types of income elasticity of demand. (7)

- Q.2a)** Explain the concept of break-even analysis algebraically & diagrammatically. (8)
- b)** What is production function? State its types. (7)

**OR**

- Q.2a)** Discuss the survey methods of demand forecasting. (8)
- b)** Explain the features of monopoly. (7)

- Q.3a)** State & explain law of variable proportions. (8)
- b)** Explain the determination of equilibrium price in an open market economy. (7)

**OR**

- Q.3 a)** Explain the short run equilibrium of a monopolist. (8)
- b)** How LAC curve is derived? Explain its properties. (7)

- Q.4 a)** Discuss the concepts of scarcity, choice & efficiency with the help production possibility curve. (8)
- b)** How price & output are determined in the long run in perfect competition? (7)

**OR**

- Q.4 a)** Describe the properties of isoquants. (8)
- b)** Explain the forms of price discrimination. (7)

**Q.5 Write short notes on. (Any 3) (15)**

1. Determinants of supply
2. Full cost pricing method
3. Distinction between monopolistic competition & oligopoly
4. Promotional elasticity of demand
5. Relationship between TR, AR & MR under perfect competition

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