

### SECTION-D

**Note:** Long answer type questions. Attempt any two questions out of three questions. (2x8=16)

Q.23 Explain the law of returns to scale.

Q.24 Define and state the law of demand. Show it through a demand schedule and demand curve.

Q.25 Define nature and scope of business economics in detail.

No. of Printed Pages : 4

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Roll No. ....

**2nd Sem. / Fin., Acc & Aud., Business  
Management**

**Subject : Business Economics**

Time : 3 Hrs.

M.M. : 60

### SECTION-A

**Note:** Multiple choice questions. All questions are compulsory (6x1=6)

Q.1 Income elasticity of demand for inferior goods is

- a) Positive                      b) negative
- c) zero                          d) greater than zero

Q.2 Which of the following forms of market is most likely to be observed in automotive industry.

- a) Perfect competition
- b) monopolistic
- c) oligopoly
- d) Monopoly

Q.3 The short run production function is called

- a) Return to scale
- b) Law of variable proportion
- c) Production possibility frontier
- d) none of these

- Q.4 The relationship between price and quantity demanded is
- a) Direct                              b) Inverse
  - c) Linear                              d) non-linear
- Q.5 The shape of Supply curve is
- a) Downward Slopping
  - b) Upward slopping
  - c) Vertical
  - d) Horizontal
- Q.6 What cost will be payable even if the company is closed.
- a) cost of shutdown
  - b) cost of the historical record
  - c) Cost of sunk
  - d) Imputed cost

### SECTION-B

**Note:** Objective/ Completion type questions. All questions are compulsory. (6x1=6)

- Q.7 Name the factors of production.
- Q.8 What is individual Demand?
- Q.9 There is free entry and free exit of firms in monopolistic competition. (True/False)

- Q.10 What is supply curve?
- Q.11 All input are variable in long run. (True/False)
- Q.12 The value of inputs owned and use by a form is an explicit cost. (True/False)

### SECTION-C

**Note:** Short answer type questions. Attempt any eight questions out of ten questions. (8x4=32)

- Q.13 What are the determinants of market demand?
- Q.14 Differentiate between Micro & Macro Economics.
- Q.15 Write down the characteristics of perfect competition.
- Q.16 Explain the extension and Contraction of Supply.
- Q.17 Explain in detail about the laws of production.
- Q.18 Explain cost functions and its Types.
- Q.19 What do you mean by oligopoly market? Write down its characteristics.
- Q.20 Explain the meaning and types of market in detail.
- Q.21 What do you mean by supply? Explain the law of supply in detail.
- Q.22 Differentiate between monopoly, monopolistic and perfect market.