

Time: 3hrs

Max.Marks:60

*Instructions: All questions are compulsory
Start each question on a fresh page
Figures to right indicate full marks*

1a. Explain the central problems of an Economy. (8)

1b. Discuss the features of Capitalist economy. (4)

OR

1x. Illustrate with the help of the diagram the Law of Supply. (8)

1y. Explain the different types of demand. (4)

2a. If there is change in the price of apples from Rs.58 to Rs.65 the total supply of apples increases from 100 units to 120 units. Find price elasticity of supply. (3)

2b. When market price changes from Rs.30 to Rs.28 the demand expands from 60 units to 80 units. Find arc elasticity of demand. (3)

2c. Consumers income increases from Rs 1000 to Rs 2500. The consumer increases his purchases from 25 units to 35 units. Find consumers income elasticity of demand. (3)

2d. A firm increases its advertisement expenditure from Rs.25000 to Rs.35000. The sales increased from 10000 units to 15000 units. Find advertising elasticity. (3)

3. Answer any three short notes: (4x3)

a. Short run Average fixed cost and Short run Total cost

b. Variable cost and Fixed cost

c. Price Discrimination

d. Features of Oligopoly Market.

4a. Illustrate with the help of diagram the stages of the Law of Variable Proportion. (12)

OR

4b. Explain the simultaneous shifts in equilibrium price remaining constant. (12)

5a. Explain the stages in the Life cycle of a Product. (6)

5b. Discuss the various pricing methods. (6)

OR

5y. Explain the determination of equilibrium price and output of the Firm under Monopolistic competition. (12)

.....