

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
First Year.B.B.A (F.S), Sem I, Semester End Assessment, October 2017
MICRO ECONOMICS

Time: 3hrs.

Max.Marks:60

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

- 1a. Discuss the scope of economics in business. (8)
1b. Differentiate between micro-economics and macro economics. (4)

OR

- 1x. Illustrate with the help of a diagram the Law of demand.. (8)
1y. Explain the different factors affecting supply. (4)

2a. Consumers income increases from Rs 1000 to Rs 1500. The consumer increases his purchases from 20 units to 25 units. Find consumers income elasticity of demand. (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. If there is change in the price of apples from Rs.58 to Rs.75 the total supply of apples increases from 120 units to 220 units. Find price elasticity of supply. (3)

2d. A firm increases its advertisement expenditure from Rs.20000 to Rs.25000. The sales increased from 10000 units to 12000 units. Find advertising elasticity. (3)

3. Answer any three short notes (4x3)

- a. Average Product and Total product
- b. Production Function
- c. Features of Monopoly Market
- d. Long run average cost curve.

4a. Explain with the help of diagram the stages of the Law of Returns to scale. (12)

OR

4b. Explain the determination of equilibrium price and output of the Firm under Perfect competition. (12)

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

5b. Explain the shifts in market equilibrium demand remaining constant supply changes. (6)

OR

5y. Illustrate with the help of diagram the phases of business cycles. (12)
