

Vidya Vikas Mandal's  
Shree Damodar College of Commerce & Economics, Margao-Goa  
FY B.Com, Semester-I, Semester End Examination, October 2019  
Micro Economics – (CC 3)

**Duration: 2hrs**

**Max Marks: 80**

**Instructions:**

- 1) Start each question on fresh page.
- 2) Figures to the right indicate maximum marks.
- 3) Answer sub-questions in Question no.1 and Question no. 2 each in not more than 100 words.
- 4) Answer Question no. 3 to Question no. 6 each in not more than 400 words.
- 5) Draw neat diagrams wherever necessary.

**Q.1. Answer ANY FOUR of the following:** (4 x 4 = 16 marks)

- a) What is Cross Elasticity of Demand?
- b) What are the conditions for Consumer's Equilibrium?
- c) What is Average Revenue?
- d) Explain any four assumptions underlying the Law of Supply.
- e) What is a 'Learning Curve' in Production?
- f) Explain any two forms of Internal Economies of Scale.

**Q.2. Answer ANY FOUR of the following:** (4 x 4 = 16 marks)

- a) Explain any four features of Monopoly.
- b) What is Horizontal Integration of Firms?
- c) What is Price Discrimination?
- d) What is Nash Equilibrium?
- e) Explain any four features of Monopolistic Competition.
- f) Differentiate between Collusive and Non-Collusive Oligopoly?

**Q.3.a) What is an Indifference Curve? Diagrammatically explain the major properties of an Indifference Curve.** (12 marks)

**OR**

**Q.3.b) Diagrammatically explain the derivation of Income Consumption Curve.** (12 marks)

**Q.4.a) Explain the Law of Variable Proportions** (12 marks)

**OR**

- Q.4.b) Calculate TVC, TFC, TC, AVC, AFC, AC and MC from the following table and give appropriate answers for each of the blank spaces. (12 marks)

Units of Output	TVC	TFC	TC	AVC	AFC	AC	MC
1			180				
2	110						
3	135	110					
4	150						
5	160						
6	180						
7			320				
8	250						
9	300						
10	360						

- Q.5.a) Explain any four features of Perfect Competition. Explain the concept of Producer's Surplus under Perfect Competition. (12 marks)

OR

- Q.5.b) Diagrammatically explain Price and Output determination of a firm in the Short-Run under Monopoly. (12 marks)

- Q.6.a) Critically evaluate Cournot's Duopoly model with the help of a suitable diagram. (12 marks)

OR

- Q.6.b) Diagrammatically explain Price and Output determination of a firm in the Short-Run under Monopolistic Competition. (12 marks)

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