

BISA

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
Second Year B.B.A., Semester III, Semester End Examination *April*, 2016
MICRO ECONOMICS

Duration: 2 Hours

Max. Marks: 60

Instructions: All questions are compulsory.

Start each question on a fresh page.

Figures to right indicate full marks.

- Q1a. State Alfred Marshall's definition of economics. (4)
b. What is a Mixed economy? Discuss the features of mixed economy. (8)

OR

- Q1x. Write a note on normative economics. (4)
y. Illustrate with the help of examples the role of economics in business. (8)

- Q2a. Illustrate graphically the Law of demand. (6)
2b. Explain the determinants of demand. (6)

OR

- Q2x. With the help of graph explain Price elasticity of supply. (6)
y. Explain the income, price and substitution effect. (6)

Q3. Answer any **FOUR** of the following (3x4)

1. The price of football match ticket increases from Rs.120 to Rs.200 the number of people going to watch football match falls from 300 people to 200 people. Find price elasticity of demand for football match.

2. A consumer's income increases from Rs 10000 to Rs 15000. The consumer increases his purchases from 25 units to 35 units. Find consumer's income elasticity of demand.

3. When market price changes from Rs.28 to Rs.25 the demand expands from 80 units to 100 units. Find arc elasticity of demand.

4. If there is a change in the price of apples from Rs.58 to Rs.65 the total supply of apples increases from 1000 units to 1200 units. Find price elasticity of supply.

5. A firm increases its advertisement expenditure from Rs.20000 to Rs.25000. The sales increased from 10000 units to 12000 units. Find advertising elasticity.

4. Answer any **FOUR** short notes: - (4x3)

1. Life cycle of a product.
2. Any three methods of pricing
3. Features of LAC curve
4. Accounting costs and money costs
5. Features of Monopolistic Competition.

5a. Explain the Law of Variable Proportion. (12)

OR

5x. Explain the determination of price and output under perfect competition. (12)
