Name: **Enrolment No:**	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December, 2019

Course: Business Economics I **Semester: I**
Program: BBA-Core
Course code: ECON 1001 **Time: 03 Hours**
Instructions: All questions are compulsory **Max. Marks: 100**

SECTION "A"(10*2=20 marks)

Q1	Multiple Choice Questions	**CO**	**Marks**
(a)	Expansion and Contraction of demand curve occurs due to- (i) Change the price of the commodity (ii) Change in the price of substitutes or complements. (iii) Change in Income (iv) all of the above	**CO1**	**[2]**
(b)	Demand for the commodity refers to- (i) need for the commodity (ii) desire for the commodity (iii) amount of the commodity demanded at a particular price and time.	**CO1**	**[2]**
(c)	The price of hot dogs increases by 22% and the quantity demanded falls by 25%, this indicates that demand for hot dogs is- (i) Elastic (ii)Inelastic (iii) Unitary Elastic (iv) Perfectly Elastic	**CO2**	**[2]**
(d)	If the price of any complement good rises- (i) demand curve shifts to the left (ii) demand curve shifts to the right (iii) demand curve moves downwards (iv) demand curve moves upward	**CO1**	**[2]**
(e)	In case of inferior goods like bajra, a fall in its price tends to- (i) make the demand remain constant (ii) reduce the demand (iii) increase the demand (iv) change the demand in an abnormal way	**CO2**	**[2]**
(f)	Which of the following elasticity of demand measures a movement along the demand curve rather than shift in the demand curve? (i) Income Elasticity of Demand	**CO1**	**[2]**

	(ii) Price Elasticity of Demand (iii) Cross Elasticity of Demand		
(g)	What is the value of elasticity of demand if the demand for the good is perfectly elastic? (i) 0 (ii) 1 (iii) infinity (iv) Less than 1	**CO2**	**[2]**
(h)	What is the income elasticity of demand, when income changes by 20% and demand changes by 40%? (i) 0.5 (ii) 2 (iii) 0.33 (iv) 0.1	**CO2**	**[2]**
(i)	Cross Elasticity of complementary goods is- (i) Positive (ii) Negative (iii) Infinity (iv) None	**CO1**	**[2]**
(j)	The demand of which type of goods do not decrease with increase in its price? (i) Comforts (ii) Luxury (iii) Necessities (iv) Capital goods	**CO1**	**[2]**
	Section 'B'(5*4=20 marks)		
Q2.	What are the ridge lines? Explain the economic region of a product using isoquant map.	**CO1**	**[4]**
Q3.	Explain the properties of indifference curves.	**CO1**	**[4]**
Q4.	Write a short note on product differentiation.	**CO1**	**[4]**

<table>
<tr><td>Q5.</td><td>Draw a diagram showing that on a linear demand curve, price elasticity of demand decreases continuously at the price axis to zero at the quantity axis.</td><td>CO2</td><td>[4]</td></tr>
<tr><td>Q6.</td><td>Explain the features of Oligopoly Market.</td><td>CO1</td><td>[4]</td></tr>
<tr><td colspan="3">Section ‘C’(6*5=30 marks)</td><td></td></tr>
<tr><td>Q 7.</td><td>How is the concept of elasticity of demand useful to a manager?</td><td>CO4</td><td>[5]</td></tr>
<tr><td>Q8.</td><td>Explain the relationship between the total cost, total fixed cost and total variable cost with examples and suitable diagrams.</td><td>CO2</td><td>[5]</td></tr>
<tr><td>Q9.</td><td>Fill the following Supply Schedule and draw a diagram of the market supply curve.(4)
<table>
<tr><td>Price(Rs.)</td><td>Quantity Supplied by A(in kgs)</td><td>Quantity Supplied by B (in kgs)</td><td>Quantity Supplied by C (in kgs)</td><td>Market Supply</td></tr>
<tr><td>8</td><td>80</td><td>40</td><td></td><td></td></tr>
<tr><td>2</td><td>50</td><td>20</td><td></td><td></td></tr>
<tr><td>5</td><td>60</td><td>30</td><td></td><td></td></tr>
</table></td><td>CO2</td><td>[5]</td></tr>
<tr><td>Q10.</td><td>Explain the determinants of demand.</td><td>CO1</td><td>[5]</td></tr>
<tr><td>Q11</td><td>Write a short note on Monopolistic Competition.</td><td>CO1</td><td>[5]</td></tr>
</table>

Q12	Fill in the Columns: <table><tr><th>Units of Output</th><th>Total Fixed Cost</th><th>Total Variable Cost</th><th>Total Cost</th><th>Marginal Cost</th><th>AFC</th><th>AVC</th></tr><tr><td>0</td><td>100</td><td></td><td>100</td><td></td><td></td><td></td></tr><tr><td>1</td><td>100</td><td></td><td>140</td><td></td><td></td><td></td></tr><tr><td>2</td><td>100</td><td></td><td>170</td><td></td><td></td><td></td></tr><tr><td>3</td><td>100</td><td></td><td>220</td><td></td><td></td><td></td></tr><tr><td>4</td><td>100</td><td></td><td>300</td><td></td><td></td><td></td></tr><tr><td>5</td><td>100</td><td></td><td>390</td><td></td><td></td><td></td></tr><tr><td>6</td><td>100</td><td></td><td>480</td><td></td><td></td><td></td></tr><tr><td>7</td><td>100</td><td></td><td>574</td><td></td><td></td><td></td></tr><tr><td>8</td><td>100</td><td></td><td>668</td><td></td><td></td><td></td></tr><tr><td>9</td><td>100</td><td></td><td>768</td><td></td><td></td><td></td></tr><tr><td>10</td><td>100</td><td></td><td>878</td><td></td><td></td><td></td></tr></table>	**CO 2,3**	**[5]**
"Section D"(3*10=30 marks)			
Q13.	Explain the Law of Variable Proportions with suitable diagram.	**CO1 2,3**	**[10]**

Q14	Explain the price and output determination in the short run under monopoly with suitable diagrams.	**CO1 2,3**	**[10]**
Q15	Explain the Decision Making Process.	**CO1 2,3**	**[10]**