


Name:	 UPES UNIVERSITY WITH A PURPOSE
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
Online End Semester Examination, May 2020

Course: Business Economics -I
Program: B.Com (H), BMI & Taxation
Course Code: ECON1001

Semester: I
Time 03 hrs.
Max. Marks: 100

SECTION A

1. Each Question will carry 5 Marks
2. Instruction: Complete the statement / Select the correct answer(s)

S. No.	Question	CO
Q 1	The point where isoquant curve is tangent to an iso-cost line is called _____	CO1
Q2	The market demand curve for a perfectly competitive industry is $Q_d = 12 - 2P$. The market supply curve is $Q_s = 3 + P$. The market will be in equilibrium if (a) $P= 6$ and $Q= 9$ (b) $P= 4$ and $Q= 4$ (c) $P= 3$ and $Q= 6$ (d) $P= 5$ and $Q= 2$	CO4
Q3	On the market with perfect competition: (a) The firm is a "price-taker," meaning, it takes over the market price; (b) The firm is a "price-maker", meaning, it determines the market price; (c) The companies' products are differentiated; (d) Input barriers are minimal, and exit barriers are maximal.	CO1
Q4	Marginal revenue is equal to price for which one of the following types of market structure? (a) Monopoly (b) Monopolistic (c) Perfect Competition (d) Oligopoly	CO3
Q5	When the new firms are allowed to enter in to the market it is called _____ oligopoly and When the new firms are not allowed to enter in to the market it is called _____ oligopoly.	CO1
Q6	Write down the correct answer. (a) $MC_n = TC_n - TC_{n-1}$ (b) $MC_n = TC_n = TC_{n-1}$ (c) $MC_n = TC_n > TC_{n-1}$ (d) $MC_n = TC_n < TC_{n-1}$	CO1

SECTION B

1. Each question will carry 10 marks
2. Instruction: Write short / brief notes

Q 7	Write down short note on----- (a) Relationship between AC and MC with diagram. (b) Expansion Path	CO1
Q 8	Briefly explain the Law of Variable proportion with suitable diagram. OR Discuss briefly the Long Run Cost and It's Types with diagrams.	CO2

Q 9	Discuss briefly about the Monopoly Power and Price Discrimination of Monopoly Market. OR Discuss briefly Sweezy's Kinked Demand Curve Model with diagram.	C03
Q 10	Critically Explain Cournot's Duopoly Model with diagram. OR Discuss briefly about Producer's Equilibrium along with suitable diagram.	C03
Q 11	Do the following solution: (a) Given $TR=60Q-2Q^2$ and $TC=40+8Q$, Find the equilibrium output level and AR. (b) The total cost function $TC = 8Q-2Q^2 +4Q^3$, find the level of output where AC is minimum and also proof that at that level of output $AC=MC$.	C04
Section C		
1. Each Question carries 20 Marks. 2. Instruction: Write long answer.		
Q12	Explain briefly the features of Perfect Completion Market. Define briefly with suitable diagram how price and output can be determined in both short run and long run equilibrium under perfect completion along with the explanation of the shutdown point. OR Explain briefly the features of Monopolistic Completion Market. Define briefly with suitable diagram how price and output can be determined in both short run and long run equilibrium under perfect completion.	C03