Name: **Enrolment No:**	UPES UNIVERSITY WITH A PURPOSE

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, January, 2021 (ONLINE MODE)

Course: Business Economics **Semester: First**
Program: BBA (AVO) & (LM) **Time : 3 hrs**
Course Code: ECON 1001 **Max. Marks: 100**

Instructions:

1. *The student must write his/her name and enrolment no. in the space designated above.*
2. *The questions have to be answered as per the instructions given in the respective sections.*

SECTION –A

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

S. No.		**CO**
Q1	If the price of a good increases, then 1. The demand for complementary goods will increase 2. The demand for the good will increase 3. The demand for substitute goods will increase 4. The demand for the good will decrease	**CO1**
Q2	Which of the following is not a determinant of a consumer's demand for a commodity? 1. Income 2. Population 3. Prices of related goods 4. Tastes	**CO1**

Q3	If automobile manufacturers are producing cars faster than people want to buy them 1. There is an excess supply and price can be expected to decrease. 2. There is an excess supply and price can be expected to increase. 3. There is an excess demand and price can be expected to decrease 4. There is an excess demand and price can be expected to increase	**CO1**
Q4	In case of decreasing returns; TP, AP and MP 1. TP starts rising at a increasing rate and MP starts rising 2. TP starts rising at a decreasing rate and MP starts falling 3. TP starts rising at a constant rate and MP starts falling 4. TP starts rising at a constant rate and MP becomes constant	**CO1**
Q5	Which option of the following does not belong to the concept of Opportunity Cost 1. Next Best Alternative Forgone 2. Factor of production has alternative uses 3. It is also the marginal cost 4. Opportunity cost is the short run concept	**CO1**
Q6	When output is zero then 1. Fixed cost will not be zero and variable cost will be zero 2. Fixed cost will be zero and variable cost will not be zero 3. Fixed Cost will not start from origin and variable cost will start from origin 4. Option ‘1’ and ‘3’ both	**CO1**
	SECTION -B	
S. No.	**1. Each question will carry 10 marks** **2. Instruction: Write short / brief notes**	**CO**
Q1	What is the relationship between the total revenue of a firm and the price elasticity of demand for a price increase along a linear demand curve? Explain the reason for relationship.	**CO2**
Q2	Explore the relationship between the marginal product and the average product curves of a variable input.	**CO3**
Q3	What does the shape of an isoquant show? Explain its importance in business decisions.	**CO3**
Q4	(a) The Average cost of producing 10 units is Rs 30, while the average cost of producing 20 units is Rs 20. Find the average cost of producing 30 Units. (b) Where will MC cut the AVC and why?	**CO3**
Q5	What is meant by Monopoly? Can a monopolist raise the market price as his wishes? Discuss and analyse.	**CO2**
	SECTION –C **1. Each question will carry 20 marks** **2. Instruction: Write Long Answer**	
	(a) A firm is manufacturing shoes. The fixed cost of production is Rs 1,92,000 p.a. The variable cost is Rs 100 per pair, while the sale price is Rs. 200 per pair. The company is required to give a commission of 10% on sale price to the retailer. Find the number of shoe pairs that the firm must manufacture and sell per month, if it has to avoid losses. (b) Give a graphic presentation of break-even point. How is this concept useful in business decision making?	**CO4**