


Name:			
Enrolment No:			
UPES End Semester Examination, May 2023			
Course: Business Economics I Program: BBA LLB & B.Com. LLB Course Code: ECON2024		Semester: IV Time: 03 hrs. Max. Marks: 100	
Instructions:			
SECTION A (5Qx2M=10Marks)			
S. No.		Marks	CO
Q1	If the cost of production increases, then what will happen to the supply curve? (a) Move to the left. (b) Move to the right. (c) Shift to the left. (d) Shift to the right.	2	CO1
Q2	Which one is not a condition of equilibrium in perfection competition? (a) $AC = AR$ (b) $MC = AR$ (c) $MC = MR$ (d) $P = MC$	2	CO1
Q3	The total cost is primarily function of (a) Total demand. (b) Price. (c) Technology. (d) Output.	2	CO1
Q4	Which one is not true for iso-quant curve? (a) It shows relations between price and quantity demanded. (b) Iso-quant curves are convex to the origin. (c) It is related to the theory of producer behavior. (d) Two iso-quant curves never intersect each other	2	CO1
Q5	Which equation represents a budget constraint? a. $PX_1 + PX_2 = M$ b. $P_1X_1 + P_2X_2 = M$ c. $Q_d = a - bP$ d. $Q_d = a + bP$	2	CO1
SECTION B (4Qx5M= 20 Marks)			
Q6	Write the concept of price elasticity of demand.	5	CO2

Q7	What do you understand by Marginal Rate of Technical Substitution (MRTS)?	5	CO2
Q8	Write down the equilibrium condition for two commodities in ordinal utility approach.	5	CO2
Q9	What are the determinants of individual demand?	5	CO2
SECTION-C (2Qx10M=20 Marks)			
Q10	Establish the equilibrium in the indifference curve analysis? Also write the assumptions and properties of indifference curve.	10	CO3
Q11	Describe the features of a perfectly competitive market. Illustrate super-normal profit of a firm in the perfect competition.	10	CO3
SECTION-D (2Qx25M=50 Marks)			
Q12	Explain the concept of equilibrium and slope of linear demand curve. If $Q_d = 25 - 0.3P$, and $Q_s = 7 + 0.5P$ Then calculate the quantity demanded at equilibrium price level. OR Critically explain the three stages of production. In which stage the producer will operate and why?	25	CO4
Q13	Explain the meaning of and distinguish between the AFC, AVC, ATC and MC. Illustrate graphically the behavior of relationship between these cost concepts. Why does AFC take the form of a hyperbola?	25	CO4