Name : ....

Roll No. : ....

Invigilator's Signature : ....

CS/BBA(H)/BIRM/BSCM/SEM-1/BBA-104/2009-10
2009
ECONOMICS – I

Time Allotted : 3 Hours   Full Marks : 70

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

GROUP – A
(Multiple Choice Type Questions)

1. Choose the correct alternatives for any *ten* of the following :

    $10 \times 1 = 10$

    i)   The price elasticity of demand is unity at

    a)   the middle point of the demand curve

    b)   the top of the demand curve

    c)   the bottom of the demand curve

    d)   none of these.

    ii) In short run

    a)   all the factors of production are variable

    b)   all the factors of production are fixed

    c)   some of the factors of production are fixed

    d)   none of these.

    iii) In monopoly, the supply curve is

    a)   upward rising

    b)   downward sloping

    c)   horizontal straight line

    d)   absent.

iv) In perfectly competitive market

    a) buyers are price takers but sellers are price makers

    b) buyers are price makers but sellers are price takers

    c) both buyers and sellers are price takers

    d) both buyers and sellers are price makers.

v) For an inferior goods, the value of income elasticity of demand is

    a) positive   b) negative

    c) unity   d) zero.

vi) For the increase in demand

    a) the demand curve will shift leftward

    b) the demand curve will shift rightward

    c) along the same demand curve the consumer will move from top to bottom

    d) along the same demand curve the consumer will move from bottom to top.

vii) In the kinked demand curve model of oligopoly the demand curve is kinked because

    a) of the differences in quantity demanded

    b) of the differences in quantity supplied

    c) of the differences in elasticity demanded

    d) none of these.

viii) Two isoquants will

    a) intersect each other at one point only

    b) never intersect each other

    c) intersect each other at more than one point

   d) none of these.

ix) Quasi-rent will appear

    a)   only in short-run

    b)   only in long-run

    c)   in both short-run and long-run

    d)   none of these.

x) The MR curve will

    a)   appear below the demand curve

    b)   appear above the demand curve

    c)   parallel to the demand curve

    d)   intersect the demand curve from above.

xi) Bilateral monopoly implies that

    a)   there is a single seller and single buyer

    b)   there is a single seller but large number of buyers

    c)   there is large number of sellers but single buyer

    d)   there is large number of sellers and large number of buyers.

xii) Production function depicts the relation between

    a)   demand and supply   b)   input and output

    c)   both (a) and (b)   d)   none of these.

GROUP – B
(Short Answer Type Questions)
Answer any *three* of the following.   3 × 5 = 15

2. Define the concept price elasticity of demand. How will you measure price elasticity of demand ?

3. What is ridge lines ? State the economic region of production.

4. State the definition and features of perfect competition.
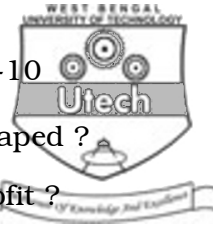
5. Why is the short-run average cost curve *U*-shaped ?

6. How do you explain the dynamic theory of profit ?

GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following.   3 × 15 = 45

7. a) Define and derive Law of Variable Proportion in short-run.

   b) Explain the relationship between average and marginal production with the help of different stages of production.   8 + 7

8. a) Distinguish between own price elasticity of demand and cross price elasticity of demand.

   b) If the price of *X* falls from Rs. 60 to Rs. 50, its demand rises from 500 units to 800 units. Find the price elasticity of demand.   7 + 8

9. a) State the main features of monopoly.

   b) How does a monopolist determine equilibrium output and price in the short-run and in the long-run ?   2 + 13

10. a) Define quasi-rent.

    b) Critically explain the Recardian theory of rent.   5 + 10

11. Write notes on any *two* of the following : $2 \times 7\frac{1}{2}$

    a) Oligopoly market

    b) Price discrimination

    c) Isocost and isoquant

    d) Economies of scale.