

Anjuman Islam Janjira Degree College of Science
Murud-Janjira, Raigad-402401
Affiliated to University of Mumbai

Class: -F.Y.B.A.F	Subject: - Business Economics – I
Semester: - I	Course code: - UA-FFSI.7
Exam Event: - Additional Exam Summer 2024 (FH)	Marks: 75
Date: - 22/03/2024	Duration: - 2 Hours 30 Mins

N.B:

1. All questions are compulsory.
2. **Figures** to the right indicate full marks.
3. Use of log-table/nonprogrammable calculator is allowed.
4. Answer for the same question as far as possible should be written together.

Q1. A) Select the correct option and complete the following sentences. (any eight) 08

1. It is useful to managers is taking correct business decisions

a) demand theory	b) supply theory	c) marginal analysis
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2. Perfectly elastic demand is an ___concept

a) real	b) imaginary	c) practical
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3. Geometric method is also called as

a) Arc method	b) formula method	c) independent
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4. In case of closed substitutes cross elasticity of demand is

a) Positive	b) negative	c) zero
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5. Income and demand are related to ___

a) indirectly	b) direct	c) independently
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6. Production function means ___ relationship between physical inputs of factors of production and physical output of a firm

a) Functional	b) relative	c) negative
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7. Marginal product can also be ___

a) Zero	b) maximum	c) less
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8. average product increase at the initial state and then starts ___

a) rising	b) declining	c) constant
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9. The example of factor market is

a) Fruit market	b) Rice market	c) Land market
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10. In perfect market firms are

a) Price Taker	b) Price maker	c) Revenue Maker
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B) State whether following sentences are True or False. (any seven) 07

- 1) Total outlay method does not provide a numerical measurement of the elasticity of demand.
- 2) Demand of salt is perfectly elastic.
- 3) Income elasticity is negative for inferior goods.
- 4) Price of related goods will remain constant, while analyzing law of demand.
- 5) Tea and coffee are complementary to each other.
- 6) Price is indirectly related to demand.
- 7) In case of expansion demand curve shifts due to change in price.
- 8) In the short run all cost is variable.
- 9) With the help of Isoquants curve, a producer can choose an optimum factor production.
- 10) In perfect market $AR=MR$.

Q.2 Attempt any one of the following. **15**

- A. 1. Define Business Economics and explain the scope of business economics. **08**
2. Describe about the opportunities cost principle. **07**

OR

- B. 1. State the law of demand and explain its assumptions **08**
2. Explain about the shifts in the demand curve with examples. **07**

Q.3 Attempt any one of the following. **15**

- A. 1. Describe demand curve under monopolistic competition. **07**
2. Explain the various significance of elasticity of demand. **08**

OR

- B. 1. Describe about cross elasticity of demand **07**
2. Explain any four-survey method for demand forecasting. **08**

Q.4 Attempt any one of the following. **15**

- A. 1. Give the criteria for good forecasting method **07**
2. Describe about Breakeven point which is essential for running the business in both short and long term. **08**

OR

- B. 1. Define production and give the ways to enhance the value of commodity. **08**
2. State the laws of Return and the laws of variable proportion with its assumptions **07**

Q.5 Attempt any one of the following. **15**

- A. State the about Full cost pricing **08**
B. What are the five main objectives of pricing policy? **07**

OR

Q.5 Write Short Notes (Any 3) **15**

1. Define Monopoly and its characteristics
2. Distinguish between cartel and oligopoly
3. Price Discrimination
4. Learning Curve
5. Exceptions to law of demand