Professor Vishwanathan Iyer's

HERAMB COACHING CLASSES

FYBCOM/ ECONOMICS   **Marks: 100**   **Duration: 3 Hrs**   **Date: 08/03/17**

Q.1) (A)Multiple Choice Questions (Any 10)   10 Marks

1) **The effect of a decrease in cost of production of personal computers other things remaining constant is likely to be best represented by which of the following?**
   a) A downward shift in the demand curve
   b) An upward shift in the supply curve
   c) A leftward shift in demand curve
   d) A rightward shift in the supply

2) **The income effect of a price changes**
   a) Is always positive
   b) Is always negative
   c) May be positive or negative
   d) Is caused by changes in consumer tastes

3) **Average revenue is equal to the _____ per unit of output**
   a) Marginal revenue
   b) Price
   c) Cost
   d) Incremental Income

4) **The _____ method uses time series data**
   a) Trend Analysis
   b) End use
   c) Sample Survey
   d) Delphi

4) **A kinked Isoquant indicates**
   a) Limited substutability of factor
   b) Continuous substitutability of factors
   c) Perfect substitutability of factors
   d) Zero substitutability of factors

5) **When AP is maximum which of the following is true**
   a) TP is rising at an increasing rate
   b) TP is constant
   c) TP is rising at a diminishing rate
   d) TP is declining

6) **Which of the following is not due to external economies of scale**
   a) Growth of technical know – how
   b) Managerial division of function
   c) Growth of subsidiary industries
   d) Development of information services

7) **Implicit Costs are**
   a) Equal to total fixed cost
   b) Equal to variable cost
   c) Always less than explicit costs
   d) Cost of using factors belonging to the business owner

8) **LAC is used to determine**
   a) The lowest possible AC for producing various levels of output
   b) The maximum output at lowest variable cost
   c) The output at which fixed cost is minimized
   d) The optimum size

9) **At the Breakeven point the price is equal to _____ cost**
   a) Total
   b) Marginal
   c) Average
   d) Variable

10) **A break even change when there is change in**
    a) Price
    b) Fixed cost
    c) Variable cost
    d) All three factors

11) **At the shutdown point price is equal to average _____ cost**
    a) Fixed
    b) Variables
    c) Above
    d) Below

(B)True or False (Any 10)   **10 Marks**

1) Incrementalism and Marginalize are one and the same
2) In case of a reduction in the cost of production the supply curve will shift to the right
3) Inferior goods have negative income effect and positive substitute effect
4) If taxes are imposed on goods with elastic demand they can increase government revenue significantly
5) The Delphi Method is an variant of the expert opinion method
6) Linear Isoquant shows perfect substitutability of factors
7) When returns to scale is increasing the distance between successive iso quant increase
8) External economies may occur due to division of Labour
9) The Implicit cost are opportunity costs of the factors owned and used by the entrepreneurs
10) MC curve intersect the AC at AC's lowest point
11) When TR and TC are nonlinear there may be two break even points
12) Breakeven point and shut down point both are same

Q.2) Answer the following question   **15 Marks**
a) Explain Law of Demand with its Exceptions.   (07 Marks)
b) Explain types of Elasticity of Demand.   (08 Marks)
OR
a) Explain change in Supply   (07 Marks)
b) Defined Isoquants.What are the properties of Isoquants?   (08 Marks)

Q.3) Answer the following question   **15 Marks**
a) What are the factors determining/influencing Elasticity of Demand?   (07 Marks)
b) Explain different demand curve under different Market   (08 Marks)
OR
a)Explain Income Elasticity of Demand   (07 Marks)
b) What are the limitations of Demand forecasting?   (08 Marks)

Q.4) Answer the following question   **15 Marks**
a)Explain Law of Return to scale with the help of suitable diagram.   (07 Marks)
b) Explain Law of Variable proportion   (08 Marks)
OR
a) Explain the concept of production function?   (07 Marks)
b) Explain internal economie of scale and its types   (08 Marks)

Q.5) Answer the following question   **15 Marks**
a)Explain various Short-run cost curve.   (07 Marks)
b) Explain various cost concepts.   (08 Marks)
OR
a) What are the different concepts of Revenue?   (07 Marks)
b) Explain Learning curve   (08 Marks)

Q.6) A) Explain Break Even Analysis with suitable diagram   (10 Marks)
B) Explain the equilibrium of a firm under Imperfect Competition?   (10 Marks)
OR
Short Notes (Any 4)   **(20 Marks)**
  a) Economic Cost
  b) Types of Production Function
  c) Law of Demand with diagram
  d) Income Elasticity of demand
  e) Different methods of measuring elasticity of demand
  f) Types of profit