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Prabodhan Education Society's

Vidya Prabodhini College of Commerce, Education, Computer and Management, Parvari Goa.

Semester End Examination, Oct-Nov. 2019

Programme: B.COM

Subject: Economics

Course Code: 3

Course Title: Microeconomics

Semester: I

Paper No: 1

Time: 2 Hours

Max. Marks:80

Instructions:

1. The question paper contains 6 questions spread across 2 pages.
2. All Questions are Compulsory. However, internal choice is available.
3. Answer Q.1 & Q.2 in not more than 100 words each.
4. Answer Q.3 to Q.6 in not more than 400 words each.
5. Every main question should begin on a fresh page.
6. Figures to the right in brackets indicate maximum marks
7. The use of a simple calculator is allowed.

Q.1) Answer any four of the following.

(4 x 4 = 16)

- a) State the Individual and Market Demand Function.
- b) If P1 is ₹40 /-, P2 is ₹25 /- and Q1 is 6Kg and Q2 is 10 kg. Calculate the price elasticity of demand. Write the type of Price Elasticity.
- c) Define the budget line.
- d) Explain the features of the Supply curve with the help of a neat diagram.
- e) State any four properties of Isoquant.
- f) Differentiate between accounting cost and economic cost.

Q.2) Answer any four of the following.

(4 x 4 = 16)

- a) Explain the equilibrium of the firm using the Total Cost and Total Revenue curve.
- b) How is Average Revenue and Marginal Revenue curves under Perfect Competition?
- c) State the features of a Monopoly.
- d) Explain the difference between production cost and selling cost.
- e) Explain the features of Oligopoly. (any 3)
- f) What do you understand by the Cournot model of Duopoly?

Q.3 A) Illustrate the Samuelson's Revealed preference theory (12)

OR

Q.3 X) What is Indifference Curve? Explain the properties of the Indifference curve with the help of a neat diagram. (12)

Q.4 A) i) Find out TFC, TVC, AFC, AVC, AC and MC from the following table. (06)

Output	0	1	2	3	4	5	6	7
Total cost	100	150	190	220	260	310	370	440

Q.4 A) ii) From the findings, explain the shape of all the above concepts of costs. (06)

OR

Q.4 X) Explain the Law of Returns to scale with the help of Isoquants. (12)

Q.5 A) Discuss the characteristics of Perfect competition. (12)

OR

Q.5 X) Explain the short-run equilibrium of a firm under Monopoly. (12)

Q.6 A) Discuss the features of Monopolistic Competition. (12)

OR

Q.6 X) Explain Paul Sweezy's Oligopoly model. (12)

X