Enrollment No: _____   **Exam Seat No:_____**

C.U.SHAH UNIVERSITY
Winter Examination-2015

Subject Name: Business Economics -I

Subject Code : 4CO01BEC1   **Branch :B.Com(English)**

Semester: 1   Date: 02/12/2015   Time: 10.30 to 01.30   Marks: 70

Instructions:

  (1) Use of Programmable calculator & any other electronic instrument is prohibited.
  (2) Instructions written on main answer book are strictly to be obeyed.
  (3) Draw neat diagrams and figures (if necessary) at right places.
  (4) Assume suitable data if needed.

Q-1   **Attempt the following questions:**   **(14)**

  a) Modern Economics includes_____   1
    A Micro Economics
    B Macro Economics
    C Both above
    D Managerial Economics

  b) Nature of business economics is _____   1
    A Idealistic
    B Realistic
    C Both above
    D Profit oriented

  c) The function of business economics is _____   1
    A to collect the production tools
    B to solve the problem of business decision making
    C allocation of abundant production tools
    D to maximize profit

  d) Air has_____   1
    A usefulness value
    B Exchange value
    C None
    D Life value

  e) Wealth is _____   1
    A tool
    B Objective
    C Material and non material objective
    D Income

  f) In comparison to goods, Service is _____   1
    A durable
    B Non durable
    C Perishable
    D Non perishable

g) Unit value of demand_____   1
A is parallel to axis
B is parallel to length
C has shape of rectangular hyperbola
D kinked curve

h) The method of measuring elasticity of demand are _____   1
A 3
B 4
C 5
D 6

i) Production function is _____   1
A geometrical relation
B Statistical relation
C Mathematical relation
D Scientific relation

j) An isoquant_____   1
A does not cross each other
B crosees each other
C is parallel to each other
D is parallel to axis

k) The concept of real cost is_____   1
A based on others
B unrelated
C subjective and relative
D real

l) In the long run all cost _____   1
A Increase
B become constant
C become variable
D reduce

m) Marginal cost means   1
A production cost of final unit
B production cost of additional unit
C production cost of all production unit and one additional unit cost
D unit wise cost of commodity

n) opportunity cost means   1
A alternative to be left out
B alternative to be chosen
C Second best alternative to be left out
D Cost to be incurred in money

Attempt any four questions from Q-2 to Q-8

Q-2		**Attempt all questions**	**(14)**
	1	What is business economics? Explain the nature of business economics.	**7**
	2	Explain the types business economics decision.	**7**

Q-3		**Attempt all questions**	**(14)**
	1	Explain the terminology	**6**
		A. Consumption	
		B. Wealth	
	2	Write the differences between Economic activity and non economic activity	**8**

Q-4		**Attempt all questions**	**(14)**
	1	What is Income elasticity of demand? State its types.	**7**
	2	What is ISO Quant? Explain its characteristics with figure.	**7**

Q-5		**Attempt all questions**	**(14)**
	1	Discuss the factors affecting the price elasticity of demand.	**7**
	2	Explain the law of decreasing return.	**7**

Q-6		**Attempt all questions**	**(14)**
	1	Explain relation between Marginal cost and Average cost.	**6**
	2	Write Notes on Value and Price	**8**
Q-7		**Attempt all questions**	**(14)**
	1	Explain inter relationship for short run between cost and production.	**6**
	2	Give differences between1. Goods and Service 2.Firm and Industry	**8**

Q-8		**Attempt all questions**	**(14)**
	1	Explain the concept of real cost, monetary cost and opportunity cost	**6**
	2	Write notes on Fixed cost and Variable cost	**8**