

# C.U.SHAH UNIVERSITY

## Winter Examination-2018

**Subject Name: Micro Economics- I**

**Subject Code : 4CO01MEC2**

**Branch: B.Com.(English)**

**Semester:1**

**Date : 28/11/201**

**Time : 02:30 To 05:30**

**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.
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- Q-1 Attempt the following questions: (14)**
- a) What is business economics? (1)
  - b) Business economics is also known as managerial economics.-True or False? (1)
  - c) What is the meaning of 'Decision-making'? (1)
  - d) What is marginal income? (1)
  - e) Business economics is an idealistic economics.-True or False? (1)
  - f) What is income growth?-Based on incremental principle. (1)
  - g) Give the full name of GNP. (1)
  - h) What is marginal cost? (1)
  - i) What do you mean by income elasticity of demand? (1)
  - j) Write the meaning of Isoquant curve. (1)
  - k) What is monetary cost? (1)
  - l) What do you mean by fixed cost? (1)
  - m) What is opportunity cost? (1)
  - n) What is variable cost? (1)
- Attempt any four questions from Q-2 to Q-8**
- Q-2 Attempt all questions (14)**
- (a) Explain the types of business decisions. (7)
  - (b) Explain the incremental principle with illustration. (7)
- Q-3 Attempt all questions (14)**
- (a) Describe the types of elasticity of demand. (7)
  - (b) Explain the determining factors of elasticity of demand. (7)
- Q-4 Attempt all questions (14)**
- (a) Explain the law of diminishing returns. (7)
  - (b) Discuss the advantages of Internal Economies. (7)
- Q-5 Attempt all questions (14)**
- (a) Describe the characteristics of isoquant curve. (7)
  - (b) Discuss the characteristics of iso-cost curve. (7)
- Q-6 Attempt all questions (14)**
- (a) Explain the concepts of fixed cost and variable cost with example and figures. (7)
  - (b) Write a note on average cost and marginal cost. (7)
- Q-7 Attempt all questions (14)**
- (a) Explain the modern approach to cost of the firm. (7)



- Q-8**
- (b) Discuss the nature of business economics. (7)
  - Attempt all questions** (14)
  - (a) Explain the disadvantages of internal economies. (7)
  - (b) Discuss how determined production can be made with minimum cost. (7)

