Enrollment No: _____   Exam Seat No:_____

C. U. SHAH UNIVERSITY
Summer Examination-2022

Subject Name: Micro Economics – I

Subject Code: 4CO01MEC2   **Branch: B.Com (English)**

Semester: 1   **Date: 22/04/2022**   **Time: 11:00 To 02:00**   **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) "Today's rupee is bigger than tomorrow" It explains ………………   1
(A)incremental principle   (B)equal marginal principle
(C)discount principle   (D)time period principle

b) The methods of measuring elasticity of demand are…………   1
(A)Three   (B)Four   (C)Five   (D)Six

c) If the production function is $Z \leq 1$ then it is called………….   1
(A)Stable returns production function
(B)Unstable returns production function
(C)Increasing returns production function
(D)Decreasing returns production function

d) In the long run all the costs………….   1
(A)Increase   (B)become constant   (C)become variable   (D)reduce

e) The types of business decisions are …………….   1
(A)Two   (B)Three   (C)Four   (D)Five

f) The incremental principle means…………….   1
(A)Concept of Period   (B)Concept of Discount
 (C)Concept of Excess   (D)Concept of equal marginal

g) The important determining factor of business economics is…………   1
(A)Production   (B)Employment
(C)Equilibrium of firm   (D)National Income

h) Law of diminishing returns is known as …………..   1
(A)law of stable returns   (B)law of proportionate production
(C)law of improportionate production (D)law of instable returns

i) If the production function is $Z = 1$ then it is called………….   1
(A)Stable returns production function
(B)Unstable returns production function
(C)Increasing returns production function
(D)Decreasing returns production function

j) Opportunity cost means…………..   1

(A)cost to be incurred in money   (B)Second best alternative to be left out
(C)Alternatives to be choosen   (D)alternative to be left out

k) Iso quant curve is………………   1
(A)does not cross each other   (B) Crosses each other
(C)are parallel to each other   (D) are parallel to axle

l) With what the units of marginal physical production should be multiplied   1
to get marginal income productivity?
(A)purchase price   (B)market price   (C)cost price   (D)original price

m) The changes in total cost due to certain decisions are known as …………   1
cost.
(A)Variable   (B)Marginal   (C)Incremental   (D)Semi- variable

n) Higher the isoquant it indicate   …………..   1
(A)More Production   (B) Less Production
(C)Proportionate production   (D) Optimal production

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

Q-2		**Attempt all questions**	**(14)**
	A	Define types of Business Decisions.	**7**
	B	Explain meaning and types of Price elasticity of demand.	**7**
Q-3			
		Explain the concept of fixed cost and variable cost with examples and figures.	**14**
Q-4		**Attempt all questions**	**(14)**
	A	Define advantages of development/ expansion of a industry.	**7**
	B	Short note: Iso- Cost Curve	**7**
Q-5		**Attempt all questions**	**(14)**
	A	Explain meaning and types of Income elasticity of demand.	**7**
	B	State importance of Price elasticity of demand.	**7**
Q-6			
		State determining factors of elasticity of demand.	**14**
Q-7		**Attempt all questions**	**(14)**
	A	State meaning and types of production function.	**7**
	B	Short note: Opportunity Cost	**7**
Q-8		**Attempt all questions**	**(14)**
	A	Define importance of the law of Marginal productivity of Distribution.	**7**
	B	State disadvantages of development/expansion of a firm.	**7**