

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 14
 figures.
- 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

