



**Institute of Management
JK Lakshmipat University
Jaipur**



END TERM EXAMINATION, 2018 (Backlog)

BBA- Sem. I & B.Com (Hons.) Sem.I
MM: 50 Marks

Course: Micro Economics

Time: 2 Hours

Subject code: GN14/ECO3

Instructions: Attempt any three questions from Section A. Section B is compulsory.

Section A

Q1. What is the Law of Variable Proportion? Discuss the various stages of production. Which is the rational stage of the production?

(10 marks)

Q2. Explain the following:

- a) The significance of the difference between Total Utility and Marginal Utility
- b) Methods of measuring Price elasticity

(10 marks)

Q3. Define equilibrium price. Discuss what happens to equilibrium price and quantity when:

- a) Demand of commodity changes
- b) Supply of commodity changes
- c) Demand and Supply of commodity changes simultaneously.

(10 marks)

Q4. . Define the following with an example:

- a) Direct and Indirect Cost
- b) Price Discrimination and product Differentiation
- c) Sunk Cost and Opportunity Cost
- d) Private cost and Historical cost
- e) Full cost and Implicit cost

(10 marks)

Q5 Explain the following:

- a) Determinants of Supply
- b) Determinants of Demand

(10 marks)

Section B

Q6. A) Differentiate between perfect competition and monopolistic competition. Also illustrate and discuss the various characteristics of both the markets.

(10 marks)

B) Given the following total cost schedule of a firm,

- a) Derive the total fixed cost and total variable cost schedule of the firm, and from them derive average total cost and marginal cost schedule of the firm
- b) Also graphically present these all concepts.

Q	0	1	2	3	4	5
TC	30	50	60	81	118	190

(10 marks)