



Institute of Management
JK Lakshmipat University
Jaipur

END TERM EXAMINATION, 2017 (Backlog)

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

Course: Micro Economics
Time: 3 Hours
Subject code: GN14

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

Section A

Q1. What is the difference between the short run and long run production function? Graphically discuss the various stages of production in the Law of Variable Proportion and the reasons of their application.

(10 marks)

Q2. Discuss the various short run cost concepts. Explain the importance of these cost concepts in business decisions.

(10 marks)

Q3. Discuss the following:

- a) Importance of Law of diminishing Marginal Utility
- b) Relationship between AC and MC in short run
- c) Opportunity Cost
- d) Properties of Indifference Curve Analysis

(10 marks)

Q4. What is the difference between Law of Demand and Elasticity of Demand? Explain the various methods of measuring price elasticity and factors which determine elasticity of demand.

(10 marks)

Q5. A) 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

B) A firm starts its business with fixed expenses of Rs. 60,000 to produce commodity X. Its variable cost is Rs. 2 per unit. Prevailing market price of the product is Rs. 6. How much should the firm produce to earn profit of Rs. 20,000 at this price?

(10 marks)

Section B

Q6. Discuss the followings:

1. Features of Oligopoly
2. Price and output determination in Perfect competition
3. Sources and types of Monopoly
4. Difference between Monopolistic competition and oligopoly market

(5+5+5+5 marks)