



**Institute of Management
JK Lakshmipat University
Jaipur**

END TERM EXAMINATION, 2019 (Back Log)

**BBA- Sem. I
MM: 50 Marks**

**Course: Micro Economics
Time: 2 Hours
Subject code: EC03**

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

Section A

Q1. How would you explain and differentiate among the TFC, TVC, AFC, AVC, AC and MC. Illustrate graphically the relationship between these cost concepts.

(10 marks)

Q2. What is the difference between Law of Returns to a Factor and Law of Returns to a scale? Discuss the Law of Variable Proportion in detail.

(10 marks)

Q3. How would you define Price Elasticity, Income Elasticity and Cross Elasticity of Demand? Explain the importance of price elasticity in day to day life.

(10 marks)

Q4. Can you explain the following with an example?

- a) Law of Equi-Marginal Utility
- b) AR curve is called Firm's Demand Curve
- c) Total Utility and Marginal Utility
- d) Exceptions of Law of Demand

(10 marks)

Q5. A) How would you show your understanding for the following?

- a) Implicit Cost & Explicit Cost
- b) Non Price Competition and product Differentiation
- c) Sunk Cost and Opportunity Cost
- d) Explicit Cost and Social Cost
- e) Economic cost and Business Cost

B) A small firm incurs fixed expenses amounting to Rs. 12,000. Its variable cost of product X is Rs. 5 per unit. Its selling price is Rs. 8. Determine its break- even quantity (BEQ) and determine the output level, that generate a total profit of Rs. 9,000.

(5+5 marks)

Section B

Q6. How would you apply what you learn about following?

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

(5+5+5+5 marks)