

Duration 3 Hours

Marks :- 100

Please check whether you have got the right question paper.

- N.B.:
1. All Questions are compulsory
 2. All questions have internal choices
 3. Use of simple calculator is permitted
 4. Figures to the right indicate full marks
 5. Draw neat diagrams wherever necessary



1. (A) Select the best answer from the given options and rewrite the statement (Any Ten) 10

- i) Incremental principle states that an investment decision is profitable if _____
 - a) revenue increases more than cost
 - b) cost reduces more than revenue
 - c) both a) and b)
 - d) None of the above

- ii) The market supply schedule shows _____ relationship between price and quantity supplied.
 - a) inverse
 - b) direct
 - c) no
 - d) None of these

- iii) In case of normal goods, demand curve is _____
 - a) upward sloping
 - b) downward sloping
 - c) vertical straight line
 - d) horizontal straight line

- iv) Kinked demand curve is observed in _____ market
 - a) Perfect competition
 - b) Monopoly
 - c) Monopolistic Competition
 - d) Oligopoly

- v) If demand is price elastic, then _____
 - a) a rise in price will raise total revenue.
 - b) a fall in price will raise total revenue.
 - c) a fall in price will increase the quantity demanded.
 - d) a rise in price won't have any effect on total revenues.



- vi) Which of the following is a limitation of consumer clinic method of demand forecasting?
- a) Abnonnal consumer behavior
 - b) Expensive
 - c) Neither a nor b
 - d) Both a and b
- vii) Short run production function includes _____
- a) only Fixed factors
 - b) only Variable factors
 - c) both fixed and variable factors
 - d) None of the above
- viii) The narrowing distance between successive isoquants denotes _____
- a) Increasing returns to scale
 - b) Decreasing returns to scale
 - c) Constant returns to scale
 - d) None of the above
- ix) Which of the following is an example of Internal Economies of Scale?
- a) Labour Economies
 - b) Technical Economies
 - c) Managerial Economies
 - d) All of the above
- x) In the short run, the slope of TC curve is the same as slope of _____
- a) AVC curve
 - b) TFC curve
 - c) TVC curve
 - d) AFC curve
- xi) The difference between private and social cost is due to _____
- a) opportunity cost
 - b) diminishing marginal utility
 - c) externalities
 - d) accounting errors
- xii) _____ refers to an unavoidable cost which cannot be recovered.
- a) Opportunity cost
 - b) Sunk cost
 - c) Real cost
 - d) Implicit cost