

1127

Bachelor of Commerce
First Semester
BCM-104-A: Micro Economics
(As per old syllabus)

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt four short answer type questions from Section-A. Attempt two questions each from Section B and C respectively.

x-x-x

Section – A

I. Attempt the followings:-

- a) Distinguish between cardinal utility and ordinal utility.
- b) Define income effect and substitution effect.
- c) How will you draw demand curve with the help of utility analysis?
- d) Explain the concept of break even analysis.
- e) Discuss the relationship between average cost and marginal cost.
- f) What the characteristics of monopolistic competition? (4x5)

Section – B

- II. What do you mean by consumer's equilibrium? Explain it with the help of utility analysis. (15)
- III. Define indifference curves and what are their properties? Explain the consumer's equilibrium with the help of indifference curve. (15)
- IV. Discuss the various factors which influence the demand for a commodity. Why does the demand curve slope downwards to the right? (15)
- V. Define price elasticity of demand and discuss the various methods of its measurement. What role does price elasticity of demand play in decision-making by business firm? (15)

Section – C

- VI. Explain the concept of production function. Why is it useful in the analysis of firm's behavior? (15)
- VII. Discuss the various concepts of cost curves with the help of suitable diagrams. How do they differ in short-run and long-run? (15)
- VIII. How will you distinguish between average revenue and marginal revenue? Explain the relationship between average revenue, marginal revenue and elasticity of demand. (15)
- IX. Define Monopoly? How is price determined under Monopoly? Does monopolist always earn super normal profits? (15)

x-x-x