

**2/H-76 (iv) (Syllabus-2019)**

**2023**

( May/June )

**COMMERCE**

( Honours )

**( Business Economics )**

( BC-201 )

( Under Revised Syllabus )

*Marks : 75*

*Time : 3 hours*

*The figures in the margin indicate full marks  
for the questions*

1. Define Business Economics. "Business economics is essentially the application of microeconomic theory of business decision making." Discuss the above statement.

3+12=15

*Or*

Discuss the scope of Business Economics. Bring out the relationship of business economics with other allied subjects. Show the significance of economic analysis in business decisions.

5+6+4=15

( 2 )

2. What are the conditions for a consumers' equilibrium? Explain and illustrate consumers' equilibrium using indifference curve technique. 3+12=15

Or

Define elasticity of demand. What are the different degrees of price elasticity of demand? Explain and illustrate expenditure method of measuring elasticity of demand. 2+5+8=15

3. State and explain the short-run production function with the help of a schedule and diagram. What are its assumptions? 2+10+3=15

Or

What is meant by production function? Using isoquant map and isocost line, determine the least cost input combination for a firm. What are the properties of isoquant curves? 2+10+3=15

4. The following data are on the cost of production of a firm :

Out put :	0	1	2	3	4	5	6
TC :	60	80	100	111	116	130	150

( 3 )

- (a) Calculate the following : 1×5=5

(i) TFC

(ii) TVC

(iii) AFC

(iv) AVC

(v) MC

- (b) Why are the short-run AC curves of a firm U-shaped? 5

- (c) Explain the relationship between AC and MC curves. 5

Or

Distinguish between : 5×3=15

(a) Fixed cost and Variable cost

(b) Opportunity cost and Real cost

(c) Explicit cost and Implicit cost

5. What is meant by price discrimination? What are the necessary conditions for price discrimination? State whether price discrimination is good or bad. Justify your answer. 3+7+5=15

( 4 )

Or

- (a) Differentiate between Pure competition and Perfect competition. 5
- (b) Differentiate between Monopoly and Monopolistic competition. 5
- (c) Write a short note on product differentiation. 5

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