

SVKM'S NMIMS
SCHOOL OF DISTANCE LEARNING

Academic year 2009-10

Subject : Business Economics

Programme: ALL(July 09 Batch)

Semester: I

Marks: 100

Date: 28.01.2010

Time: 11.00 a.m to 2.00 p.m (3hrs)

Instruction : Candidates should read carefully the instruction printed on the question paper and on the cover of the Answer Book, which is provided for their use.

NB: 1. Answer to each new question to be started on fresh page.

Q.1 Write notes on (Any Two): **10 Marks**

- a) Shift of the demand curve.
- b) Derivation of market supply curve.
- c) Elasticity of Demand.
- d) Fixed cost and variable cost.

Q.2 Write notes on (Any Three): **15 Marks**

- a) Monopoly power.
- b) Short run cost curves.
- c) Price control.
- d) Normal and Inferior good.
- e) Natural monopoly.
- f) Demand Estimation.

Q.3 Attempt any three: **45 Marks**

- a) Derive the short run equilibrium and long run equilibrium of a perfectly competitive firm.
- b) What are the causes of monopoly? Show the effect of excise duty on monopoly equilibrium.
- c) What do you mean by production function? Show three stages of production under short run.
- d) Show how a firm can maximize output subject to a given cost in the long run.
- e) What do you mean by economics of scale? Explain increasing, decreasing and constant return to scale.

Q.4 Attempt any two: **30 Marks**

- a) What do you mean by oligopoly? Discuss Kink demand curve model.
- b) Discuss the reason behind market failure.
- c) What do you mean by price discrimination? How does a monopolist practice price discrimination?
- d) What are the main features of monopolistic competition? Explain the short- run equilibrium of a firm under monopolistic competition.
