

SVKM's NMIMS
NMIMS – GLOBAL ACCESS SCHOOL FOR CONTINUING EDUCATION

Programme: DFM/PGDFM

Examination: June 2016
Subject: Micro Economics

Semester: II
Course : New
Marks : 70
Time: 11.00 a.m. to 2.00 p.m.

Date: 18.06.2016

Instructions:

1. Answer to each new question to be started on a fresh page.
 2. Figures in bracket indicate full marks.
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Q.1) Attempt any 2 out of 4

(Marks: 2X5=10)

- a) Explain the importance of the term 'Economics' in business world.
- b) Highlight the major points of differences between Micro and Macro Economics.
- c) Discuss any three criteria for market classification.
- d) What do you mean by Diversification? Explain the concept with its types.

Q.2) Write Short Notes on any 2 out of 5

(Marks: 2X5=10)

- a) Incremental reasoning or principle
- b) Exceptions to the Law of Demand
- c) Cross Elasticity of Demand
- d) Types of profits
- e) Hall and Hitch Version of Kinked Demand Curve

Q.3) Attempt any 3 out of 5

(Marks: 3X10=30)

- a) Discuss any five key principles of Economics with examples.
- b) Explain with proper diagram the concept of 'Shifts in Demand Curve'.
- c) What are isoquants? Discuss its types and properties in brief.
- d) ABC Ltd. has a capacity to produce maximum of 10,000 units of a product per month with the selling price of Rs 500. Variable costs are Rs 100 per product, and fixed costs are Rs. 3,00,000/- per month. How many products should be produced per month to attain a break even point?
- e) Why long run average cost curve is 'U' shaped?

Q.4) Attempt both the questions

(Marks: 2X10=20)

- a) Explain the concept of elasticity of Demand with its types in detail.
- b) Let following equations represents the supply and demand for a product Where Q is the quantity and P is the price of a product, in rupees

$$Q_D = 13,000 - 2,000 P$$
$$Q_S = 3,000 P - 7,000$$

(1) Complete following table:

Price in rupees	Q_D	Q_S
1		
2		
3		
4		
5		
6		

(2) What is the equilibrium price?
