

Exam. Code: 0311

Sub. Code: 2687

1128

**M.Com. (M.E.F.B.) First Semester
FB-101: Economics for Entrepreneurs**

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt five questions in all, selecting atleast two questions from each Unit.

x-x-x

UNIT – I

- I. What is the difference between point and arc elasticity? Briefly explain the uses of the concept of elasticity in decision making. (16)
- II. What are the objectives of demand estimation? Elaborate on the methods of demand estimation. (16)
- III. What is the difference between short run and long run? Explain the short run production function using law of variable proportion. (16)
- IV. Define cost function. Explain the relationship between short run and long run costs. (16)
- V. Write short notes on:-
 - a) Nature of managerial economics
 - b) Incremental reasoning and marginal cost (16)

UNIT – II

- VI. What are the causes of monopoly? Explain short run equilibrium of a firm in monopoly. (16)
- VII. Discuss the pricing strategies used by small firms. What is the difference in the pricing approach of large enterprises and small firms? (16)
- VIII. Discuss the behavioral theories of firm. How does it compare with the traditional profit maximizing theory of firm? (16)
- IX. Define capital budgeting. What are the factors that determine the investment decisions? Briefly describe the steps involved in Capital project evaluation. (16)
- X. What is the difference between risk and uncertainty? Explain the process of risk analysis using the concept of probability and utility theory. (16)

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