

(i) Printed Pages : 2

Roll No.

(ii) Questions : 9

Sub. Code :

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Exam. Code :

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B.Com. 1st Semester

1125

BUSINESS ECONOMICS-I

Paper - BCM-104

Time Allowed : Three Hours]

[Maximum Marks : 80

Note :- Question No. 1 is compulsory. Attempt **four** questions from Unit-I and Unit-II, selecting not more than **two** questions from each Unit. Each question carries 15 marks.

1. Attempt any **four** questions. Each question carries 5 marks.
 - (i) Explain the relationship between marginal utility and total utility.
 - (ii) What is substitution effect ? Show the substitution effect of a rise in price.
 - (iii) Discuss the purpose and usefulness of demand forecasting.
 - (iv) Discuss briefly the concept total, average and marginal revenue.
 - (v) What is price discrimination ? Discuss when it is possible.
 - (vi) Define oligopoly. What are the features of oligopoly ?

4×5=20

UNIT-I

2. Explain the Law of Diminishing Marginal Utility. Discuss the importance and limitations of this law.

15

3. Explain the consumer's equilibrium with the help of indifference curve. Analyse the effect of a change in consumer's income on this equilibrium. 15
4. Explain the law of demand. Why does demand curve slope downwards to the right ? Discuss the circumstances in which demand curve slopes upwards. 15
5. Define price elasticity of demand. Explain the various methods of its measurement. 15

UNIT-II

6. State and explain the law of variable proportions. Discuss the various stages of this law with the help of a table and diagram. 15
7. Discuss the various concepts of cost curves. How do they differ in short-run and long-run ? 15
8. Define perfect competition. How is price determined under perfect competition ? Explain with the help of suitable diagrams. 15
9. What are selling costs ? How do they influence the equilibrium of a firm under conditions of monopolistic competition ? 15