

PART A

(Answer ALL questions. Each question carries 2 marks)

1. List out the important economic concepts used in business decision making process.
2. Find out the changes in the level of demand of two wheelers due to the following factors -
 - a) Increase in the income of the people
 - b) Increase in the fare charge of bus and train
 - c) Rise in the price of petrol
 - d) Increase in the GST of two wheelers
3. Distinguish between Giffen goods and Veblen goods.
4. What is price discrimination policy?
5. From the following information, find the cross elasticity of demand of Sony TV sets.

2020			2021	
Demanded	Price /unit	Quantity	Price/unit Demanded	Quantity
Sony TV Sets 39,400	-	-	-	40,400
LG TV Sets		24,000		26,000

(5X2=10)

PART B

(Answer ANY FIVE Questions. Each question carries 4 marks)

6. As a business manager, what are the steps you have to take for making a decision?
7. How does the concept of price elasticity of demand is useful to the following groups -
 - a) Finance Minister
 - b) Producers
 - c) Trade Unions
 - d) Exporters
8. Explain the Law of Variable Proportion with a suitable diagram.

9. Price rigidity is one of the most distinguishing features of the oligopoly market. Verify the validity of this statement with Kinked Demand Curve analysis.
10. What are the factors causing disequilibrium in BOP and give suggestions to correct it?
11. Assume you are running a home appliance manufacturing business and so you have to predict the demand of your product in 2023. List out the methods that you can use to predict it.
12. Indicate how you will find out consumer's equilibrium with the help of Indifference Curve technique.

(5X4=20)

PART C

(Answer ANY TWO questions. Each question carries 10 marks)

13. a) A firm under monopoly is a price maker, but under perfect competition it is only a price taker. Why?
b) Compare and contrast the features of monopoly and monopolistic competition.
14. What is the producer's equilibrium? Analyze it with the Iso-quant and Iso-cost curves method.
15. Analyze the cost-output relationship on the basis of the following table after completing it.

Output	TFC	TVC	TC	AFC	AVC	ATC	MC
0	40	0					
1	40	60					
2	40	80					
3	40	90					
4	40	110					
5	40	150					
6	40	200					

(2x10=20)