SECTION - A

Answer any 12 questions.  

1. What is opportunity cost?  
2. What is the problem of scarcity in economics?  
3. Define a production possibility curve.  
4. What is business economics?  
5. Differentiate between average product and marginal product.  
6. What is meant by increasing returns to scale?  
7. Define cross elasticity of demand.  
8. Define consumer’s equilibrium.  
9. What is the slope of Isoquant?  
10. What is anti trust action?  
11. What is full cost pricing?  
12. What is price discrimination?  
14. What is administering pricing?  

12 x 2 = 24

SECTION - B

Answer any 5 questions.  

15. What is market failure? What are its causes?  
16. Discuss the properties of indifference curve.  
17. Explain the long run Average cost output relations with the help of a diagram.  
18. Explain the short-run cost output relations.  
19. Distinguish between the features of monopoly and monopolistic competition.  
20. Distinguish between the features of monopolistic competition and perfect competition.  
21. Explain Kinked demand curve model  

5 x 8 = 40

SECTION - C

Answer any 3 questions.  

22. With the help of data given below, calculate AR, MR and explain their meaning with the help of a diagram.  

<table>
<thead>
<tr>
<th>Units</th>
<th>Total return</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>50</td>
</tr>
<tr>
<td>2</td>
<td>90</td>
</tr>
<tr>
<td>3</td>
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<td>150</td>
</tr>
<tr>
<td>7</td>
<td>140</td>
</tr>
</tbody>
</table>

3 x 12 = 36
23. A firm's demand curve is given by $Dx = 175 - 5Px$. Work out the TR, AR and MR at alternative prices: Rs.20, Rs.18, Rs.16, Rs.14 and Rs.12.

24. Differentiate between 'Economies and Diseconomies of Scale'? And explain the different types.

25. Discuss price output determination under monopoly in the short and the long run.

26. Explain the price output determination under perfect competition.