B. Com FOURTH SEMESTER BUSINESS ECONOMICS BCM – 401

(Use separate answer scripts for Objective & Descriptive)

Duration: 3 hrs. Full Marks: 70

(PART A: Objective)

Time: 20 min. Marks: 20

Choose the correct answer from the following:

1×20=20

1. Long run average cost curve slopes downward when there is:

a. increasing return

b. constant return

c. decreasing return

d. none of the above

2. Law of Variable Proportion is applicable to:

a. short-run production function

b. long -run production function

c. both (a) and (b)

d. none of the above

3. It is the locus of various combination of input that gives the same level of output.

a. isocost

b. expansion path

c. isoquant

d. supply curve

4. When output increase what happens to Average Fixed Cost?

a. Falls

b. Constant

c. Increases

d. None of the above

5. Elasticity of demand is the relationship between:

a. demand and supply

b. demand and price

c. buyers and sellers

d. groups of buyers

6. Which one of the following is not a property of isoquant?

a. Convex to the origin.

b. Higher the isoquant higher the output.

c. Two isoquants intersect each other.

d. Isoquant have a negative slope.

7. Higher is the isoquant:

a. lower the output

b. higher the output

c. no change in output

d. none of the above

8. Law of variable proportion represent the production function with:

a. all factor variable

b. all factor fixed

c. one variable other fixed

d. one fixed other variable

9. When AFC and AVC declines then ATC: b. constant a increase c. decrease d. none of the above 10. Long run average cost curve is the locus of lowest point of all the: a. Short run total cost curve b. Short run average cost curve c. Long run total cost curve d. None of the above 11. Who is known is father of economics? a. Adam Smith b. Alfred Marshal c. J.M. Keynes d. L. Robbins 12. The shape of perfectly inelastic demand curve is: c. vertical d. horizontal a. flatter b. steeper 13. The shape of Isoquant curve is: a. convex b. concave c. U shaped d. none of the above 14. Dumping means: a. high price at domestic market low price at foreign market. b. low price at domestic market and high price at foreign market. c. high price at both the market. d. none of the above. 15. Selling cost is: b. raw material cost a. production cost c electric cost d. advertisement cost 16. Oligopoly is market competition of: b. large number of firms a. single firm c. a few big firms d. two firms 17. Transport cost is absent in: a. monopoly market b. oligopoly market c. perfect competition d. duopoly 18. Sequences different stages of returns scale are: a. increasing, decreasing, negative b. constant, increasing, decreasing c. decreasing, negative, constant d. increasing, constant, negative 19. Kink demand curve is associated with: a. perfect competition b. oligopoly d. monopolistic c. monopoly 20. Marginal Cost is given as: d. $\Delta TC/\Delta O$ a. TC/O b. O/AR c. AR-MR

(PART B: Descriptive)

Time: 2 hrs. 40 min.

Marks: 50

(Answer question no. 1 & any four (4) from the rest)

1. What is price discrimination? Explain different types of price discrimination.

(2+8=10)

2. What are the determinants of demand? What are the assumptions of law of demand? (2+8=10)

3. What is Isoquants curve? Explain.

(2+8=10)

4. What is monopolistic market? What is its feature? What are the difference between monopoly and monopolistic competition? (2+3+5=10)

5. Write short notes on the following (any two):

(5+5=10)

a) Returns to scale.

b) Law of variable proportion.

c) Excess capacity of monopolistic.

6. a) Explain with a diagram the equilibrium point of monopoly in the long

run.

(5) (5)

b) Explain the least-cost combination of factors.

(2)

7. a) Explain the meaning of Business economics.

(3)

b) Explain the term "Giffen Paradox".

(5)

c) What are the difference between perfect competition and monopoly?

8. Why AC curve is U shaped? Explain relationship between TC, TFC and TVC.

(4+6=10)
