2023/01

SET B

MASTER OF COMMERCE
FIRST SEMESTER
BUSINESS ECONOMICS
MCM – 105
[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 1.30 hrs.

Full Marks: 35

Objective

Time: 15 mins.

Marks: 10

Choose the correct answer from the following: ***1×10=10***

1. Average revenue curve is also known as
   a. Demand curve
   b. Supply curve
   c. Average cost curve
   d. Profit curve
2. Opportunity cost are also known as
   a. Spill over costs
   b. Money costs
   c. Alternative costs
   d. External costs
3. Cross elasticity of complementary goods is
   a. Negative
   b. Zero
   c. High
   d. Infinite
4. In the long run
   a. All the factors can be used in different proportions
   b. Management can be re-organized
   c. A firm can experience returns to scale
   d. All of these
5. Economics of scale means
   a. Reduction in unit cost of production
   b. Addition to the unit cost of production
   c. Reductions in unit cost of distribution
   d. Reduction of total cost of production
6. The elasticity for unitary demand curves is equal to
   a. Zero
   b. Infinity
   c. One
   d. None of the above
7. Sellers in perfect competition are
   a. Price maker
   b. Price taker
   c. Wealthy
   d. Poor
8. Law of variable proportion is related to
   a. Both short run and long run
   b. Very long run
   c. Long run
   d. Short run
9. Fixed cost is also known as
   a. Variable cost
   b. Actual cost
   c. Supplementary cost
   d. Short term cost

10. The law of diminishing marginal utility is propounded by
   a. H.H. Gossen
   b. Alfred Marshall
   c. Gossen and Marshall
   d. None of these

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Descriptive

Time : 1 Hr. 15 Mins. **Marks : 25**

[Answer question no.1 & any two (2) from the rest]

1. Explain the characteristics of a perfectly competitive market. 5

2. a) What is a production function? What is the difference between short run and long run production function? 2+3+5=10
   b) Explain the concept of marginal rate of substitution.

3. Explain the three stages of law of variable proportions with the help of diagram. 10

4. What is price elasticity of demand? Explain any two methods of measuring price elasticity of demand. 2+8=10

5. What is a monopoly market? What are the three conditions for existence of a monopoly market? How a firm under monopoly market attains equilibrium in the short run? 2+3+5=10

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