Bachelor of Commerce 1st Semester

(2122)

BUSINESS ECONOMICS-I

Paper : BCM-104

Time Allowed : Three Hours]   [Maximum Marks : 80

Note :— Attempt **four** questions from Section A and attempt any **two** questions from Section B and Section C each.

SECTION—A

1. Attempt any **four** questions. Each question carries **5** marks :

    (i)   Distinguish between Marginal and Total Utility.

    (ii) Explain law of Equi-Marginal Utility.

    (iii). Define Cross Elasticity of Demand.

    (iv) Explain the conditions of firm's equilibrium under perfect competition.

    (v)   Distinguish between short run and long run.

    (vi) Define the term monopoly.   4×5=20

SECTION—B

2. Critically explain the Law of Diminishing Marginal Utility along with its importance.

3. Define the law of demand; discuss its weaknesses.

4. Explain 'Price Effect' with the help of Indifference Curve Approach. Show with the help of suitable diagram, bifurcation of 'Price Effect' into 'Income Effect' and "Substitution Effect'.

5. Define Price Elasticity of demand. Explain various methods to measure it. $2 \times 15 = 30$

SECTION—C

6. Distinguish between internal and external economies and dis-economies of scale.

7. Explain the relationship between Total Revenue, Average Revenue, Marginal Revenue and Elasticity of demand.

8. Define Discriminating Monopoly. Determine equilibrium under discriminating Monopoly.

9. How the firm will be in equilibrium under monopoly both in short and long run? $2 \times 15 = 30$