

Seat No. : _____

DD-111

December-2013

5 Years MBA Integrated (KS) SY MBA

Micro Economics – Theory

Time : 3 Hours]

[Max. Marks : 100

- Instructions :**
- (1) Attempt **all** questions.
 - (2) Be legible and precise.
 - (3) Draw diagrams wherever necessary.

1. (A) Briefly discuss the subject matter of Micro Economics. **6**
(B) Compare and contrast the traditional economic theory of the firm with Marris' balanced rate of growth theory of the firm. **14**

2. Attempt any **two** :
(A) Discuss the law of diminishing marginal utility in detail. How a consumer attains equilibrium under this law ? **10**
(B) What is an indifference curve ? What are its properties ? **10**
(C) Discuss the income effect and substitution effect of a price change for a Giffen good. **10**

3. (A) Discuss the law of demand. **10**
(B) Differentiate between Autonomous Demand and Derived Demand. **04**
(C) Discuss the concept of promotion elasticity of demand. What factors influence the promotional elasticity of demand ? **06**

OR

- (A) Explain the peculiarities that are faced by managers in forecasting demand for consumer durables. **08**
- (B) What is income elasticity of demand ? What are its types ? How can businesses used the concept of income elasticity of demand ? **12**

4. (A) Discuss the law of variable proportions. According to you which is the most profitable stage for production and why ? **10**
- (B) State the salient features of LAC curve. What is its usefulness in managerial decision making ? **6**
- (C) Write a note on Expansion Path or Ridge Lines. **4**
5. (A) Differentiate between implicit cost & explicit cost. **4**
- (B) Discuss the characteristics & relationship between AFC, AVC, ATC & MC curves. **8**
- (C) Elaborate on the various types of economics of scale. **8**
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