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**0702E1560**

Candidate's Seat No : \_\_\_\_\_

**IMSc (FT) (NEP) Sem.-1 Examination**

**DSC-C-FIN-112T**

**Business Economics**

**Time : 2-00 Hours]**

**February-2025**

**[Max. Marks : 50**

**Instructions:**

- 1) **Figures to the right indicate Full Marks.**
- 2) **Do not write anything on the question paper.**

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- Q.1(A) The market structure consists of different market forms. (05)  
Explain.
- Q.1(B) Explain the principle of scarcity. (05)  
(OR)
- Q.1(A) Explain in brief the concept of Production function. (05)
- Q.1(B) What are the different types of production function? (05)
- Q.2(A) Explain the theory of consumer choice with an example. (05)
- Q.2(B) Explain the budget constraint of a consumer with an example. (05)  
(OR)
- Q.2(A) Explain the properties of indifference curves. (05)
- Q.2(B) Explain how consumer's choice is affected by changes in income. (05)
- Q.3(A) Explain the effect of changes in price and income on consumer's optimal decision making in case of an inferior good. (05)
- Q.3(B) Derive the demand curve with the help of indifference curve. (05)  
(OR)
- Q.3(A) Explain in detail the difference between long run and short run production with an example. (05)
- Q.3(B) Explain the difference between Fixed and Variable Proportion Production Function With an example. (05)
- Q.4(A) Explain Isoquant with an example. (05)

Q.4(B) Write a note on the Isoquant map. (05)  
(OR)

Q.4(A) Explain the two approaches to derive Optimum Factor Combination. (05)

Q.4(B) Explain the properties of the Iso-quant curve. (05)

Q.5. Attempt Any Five. (10)

1. What is the primary objective of a firm in a competitive market?

- a) To maximize consumer welfare
- b) To achieve the highest possible market share
- c) To maximize profits
- d) To maintain a balance between supply and demand

2. What does "marginal cost" refer to?

- a) The total cost of producing all units of a product
- b) The additional cost incurred from producing one more unit of output
- c) The average cost of production
- d) The cost of labor for a single unit

3. What is the law of demand in business economics?

- a) As the price of a good rises, the quantity demanded decreases, all else equal
- b) As the price of a good rises, the quantity demanded increases, all else equal
- c) As income increases, demand for all goods decreases
- d) The demand for a good remains constant regardless of price changes

4. Which of the following is an example of a fixed cost ?

- a) Wages of hourly workers
- b) Rent for office space
- c) Raw material costs
- d) Commission on sales

5. What does the term "opportunity cost" refer to ?

- a) The total cost of production
- b) The cost of the next best alternative forgone
- c) The cost incurred in the production of goods and services
- d) The total amount spent on marketing a product

6. What does a movement along the demand curve indicate?

- a) A change in demand due to external factors.
- b) A change in quantity demanded due to a change in price.
- c) A shift in demand caused by consumer preferences.
- d) A change in supply conditions.

7. What happens to equilibrium price if demand increases and supply remains constant?

- a) It increases.
- b) It decreases.
- c) It remains unchanged.
- d) It fluctuates randomly.

ALL THE BEST