

Time: 3 Hours

Note: Answer any five questions in all

(A) Question No. 1 is compulsory.

(B) Answer two questions from Section A and B each.

(C) All questions carry equal marks.

1. Answer each of the following question in not more than 200 words

(A) Explain the concept of opportunity cost.

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(B) What is a budget line?

What is a budget line?

OR

Differentiate between substitute goods and complementary goods.

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(C) Differentiate between internal and external economics.

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(D) What do you mean by equilibrium of a firm?

What do you mean by equilibrium of a firm?

(E) What do you mean by iso-product curve?

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SECTION-A

Note: Answer any two of the following question. Answer of each question should not be in more than 1000 words.

1. What is low of Demand? Under what conditions does the demand curve slope upward? Explain.

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2. What is an indifference Curve. Explain its chief properties

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3. Define Monopoly and explain through suitable diagrams how a monopolist firm determines its price in the long-run.

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4. Explain the liquidity preference theory of interest. Discuss its limitation.

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SECTION-B

Note: Answer any two of the following question. Answer of each question should not be in more than 500 words.

1. (a) What is price elasticity of demand and explain its various types.

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(b) What do you mean by consumer's surplus? Explain Marshallian approach to measure consumer's surplus.

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2. (a) What is the law of variable proportions? Explain its assumptions.

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(b) Explain with the help of diagram the relation between average revenue (AR), marginal revenue (MR) and price elasticity of demand.

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3. (a) What is discriminating monopoly? What are its essential conditions? and explain the process of making price and quantity adjustment in case of discriminating monopoly.

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(b) Explain the risk theory of profit.

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4. (a) What is the loanable fund theory of interest? What are its limitations?

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(b) Discuss briefly the definition of economics given by Robbins. How does it differ from the views of Alfred Marshall?

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