

Sr. No. of Question Paper : 833

I

Unique Paper Code : 2412083502

Name of the Paper : Business Economics

Name of the Course : **B.Com. (H)**

Semester : V – DSC

Duration : 3 Hours

Maximum Marks : 90

समय : 3 घण्टे

पूर्णांक : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt **all** questions.
3. All parts of a question to be attempted together.
4. **All** questions carry equal marks.
5. Use of simple calculator is allowed.
6. Answers may be written either in English or Hindi; but the same medium should be used throughout the **paper**.

P.T.O.

छात्रों के लिए निर्देश

1. इस प्रश्न-पत्र के मिलते ही ऊपर दिए गए निर्धारित स्थान पर अपना अनुक्रमांक लिखिए।
 2. सभी प्रश्नों के उत्तर दें।
 3. प्रश्नों के भागों को एक साथ कीजिए।
 4. सभी प्रश्नों के अंक समान हैं।
 5. साधारण कैलकुलेटर उपयोग की अनुमति है।
 6. इस प्रश्न-पत्र का उत्तर अंग्रेजी या हिंदी किसी एक भाषा में दीजिए, लेकिन सभी उत्तरों का माध्यम एक ही होना चाहिए।
1. (a) Using demand and supply analysis show the impact of rise in milk prices on the equilibrium price and quantity of cream cheese. If the government does not allow the price of cream cheese to change what problem are likely to arise. (5+4)
 - (b) Explain various type of elasticity of demand. Discuss the role of elasticity of demand in business decisions and strategies. (5+4)

OR

- (c) How business economics differs from micro and macro economics. How it serves the need of individual businesses. (6+3)
 - (d) Explain the role of price elasticity of supply in business decisions and strategies. (9)
2. (a) Explain the derivation process of Engel's Curve from ICC for Necessity goods, Inferior goods and luxury goods. (3+3+3)
 - (b) Ram divides his income in consumption and savings, what will be the impact of increase in rate of interest on his savings? Explain with the help of income and substitution effect. (3+6)

OR

- (c) Explain managerial implication of Income and substitution effects in business decision. (9)
- (d) What is Indifference Curve? explain its properties. How does understanding consumer equilibrium through Indifference Curve and Budget Line analysis help businesses in pricing and product positioning strategies? (2+3+4)

3. (a) Show that the long run average cost (LRAC) curve of a firm is the lower envelop of short run average cost (SRAC) curves. Why does the LRAC curve doesn't touch the minimum point of all the SRAC Curves? (5+4)
- (b) Explain law of variable proportion? Does it hold true in real business life. Explain. (7+2)

OR

- (c) What are the properties of Isoquants? Discuss the possible shapes, which the isoquant may assume depending on the degree of substitutability. (4+5)
- (d) Derive traditional LAC curve from short run average cost curves and explain their relationship. Why is it known as planning curve? (7+2)
4. (a) Explain different type of Price discrimination possible under monopolist competition. (3+3+3)
- (b) Perfect competition leads to optimum size of the firm. Discuss. Do you agree that a competitive firm provides an effective service in helping the allocation of resources consistency with consumers preferences and with interest of resource owners? (3+6)

OR

- (c) Discuss the long run equilibrium of the monopolist. Will the monopolist earn only normal profits in the long run? (5+4)
- (d) What is collusive oligopoly? Describe cartel as a form of collusion. Explain determination of price and output under cartel. (3+3+3)
5. Explain any three of the following :
- (i) Prisoner's dilemma
 - (ii) Peak load pricing
 - (iii) Rent control
 - (iv) Kinked Demand Curve
 - (v) Excess capacity (6+6+6)
1. (क) मांग और आपूर्ति विश्लेषण का उपयोग करके दूध की कीमतों में वृद्धि का क्रीम चीज के संतुलन मूल्य और मात्रा पर प्रभाव दिखाएँ। यदि सरकार क्रीम चीज की कीमत में बदलाव नहीं होने देती है तो क्या समस्या उत्पन्न होने की संभावना है। (5+4)