

[Time: 2½ Hours]

[ Marks:75]

Please check whether you have got the right question paper.

- N.B:**
1. All Questions are compulsory.
  2. Figures to right indicate full marks.
  3. Draw diagrams wherever necessary

**Q.1 a)** State whether the following statements are True or False. (Any Eight) (08)

- 1) Microeconomics deals with the analysis of national income.
- 2) Extension and contraction can be shown on the same demand curve.
- 3) Regression method forecasts demand accurately.
- 4) Cross elasticity of demand for substitutes is positive.
- 5) A technically efficient- production function indicates absence of wastage of resources.
- 6) External economies may occur due to division of labour.
- 7) Demand curve of a monopolist is sloping upward from left to right.
- 8) Price is very flexible in oligopoly.
- 9) Dumping is known as international price discrimination.
- 10) Full cost pricing method has certain limitation.

**b)** Match the following (Any Seven) (07)

| Group A                                | Group B                             |
|--|-------------------------------------|
| 1) Equations                           | a) Shut down point                  |
| 2) Negative income effect              | b) Substitutes                      |
| 3) Demand forecasting                  | c) External economies               |
| 4) Positive cross elasticity of demand | d) Mathematically express functions |
| 5) Iso-cost line                       | e) Prof. Paul Sweezy                |
| 6) Localisation economies              | f) Inferior goods                   |
| 7) $TVC = TR$                          | g) Determined by govt               |
| 8) kinked demand curve                 | h) Survey method                    |
| 9) Administered Pricing                | i) Cost incurred on additional unit |
| 10) Marginal cost pricing              | j) Budget line                      |
|  | k) Hall and Hitch                   |
|  | l) Complementary                    |

**Q.2 a)** Explain the different types of income elasticity of demand. (08)

**b)** Describe in detail the different methods of demand forecasting. (07)

OR

