

Vidya Vikas Mandal's
Shree Damodar College of Commerce and Economics, Margao
FYBBA (FS), Semester I, (REPEAT), Semester End Assessment, November 2023
Course: BFS CC3: MICROECONOMICS

Duration: 2 Hours

Maximum Marks: 60

Instructions: -

- i. All questions are compulsory; however internal choice is available.
- ii. Figures to the right indicate the maximum marks for the questions.

Q. 1. Answer any FIVE questions from the following: (5*4=20 Marks)

1. Give any two points of difference between Microeconomics and Macroeconomics.
2. Define Price Elasticity of Demand and explain its any two types along with diagram.
3. "Other factors remaining constant, when price increases quantity supplied also increases".
Elaborate this positive relationship with the help of diagram.
4. State the meaning of Monopoly along with its characteristics.
5. What are economies and diseconomies of scale?
6. Write short notes on the following.
 - a) Indifference Map
 - b) Production function

Q. Answer ANY FOUR from the following questions. (4*10=40 Marks)

Q.2. Imagine a scenario where there is a market for wheat. Farmers are the suppliers of wheat, and are selling homogeneous product with zero cost on product differentiation. There is free entry and exit in this particular market. Identify the market structure and explain types of profit in short run.

Q.3. "Indifference curves never intersect nor can be tangent to each other, rather they are always parallel to each other". Explain the properties of indifference curve along with suitable diagram.

Q.4. Parent Companies like Unilever, Johnson & Johnson, Procter & Gamble (P&G), Reckitt Benckiser and Cholayil produce bathing soaps like Dove, Pears, Medimix, Dettol, etc. These parent companies focus more on advertisement and product differentiation in order to make their product distinctive from their rivals. Which market structure follow this criteria and what kind of profit they earn in short run?

Q.5. Assuming, as when the price of the product X is Rs. 20; quantity demanded is 50 units. When the price of product X increases to Rs. 30 quantity demanded reduces to 40 units. Elaborate this situation with the help of appropriate law and diagram.

Q.6. Explain Law of variable proportion and Law of returns to scale along with diagram.

Q.7. Imagine there is an Electric company having monopoly power that supplies electricity to a town. The company has the ability to charge different prices to different groups of consumers based on their demand elasticity and willingness to pay. Explain price output determination under this market discrimination.
