

MAHARASHTRA ANIMAL AND FISHERY SCIENCES UNIVERSITY, NAGPUR
SEMESTER END THEORY EXAMINATION, B.TECH. (D.T.) DEGREE COURSE 2017-18

Semester	: I (New Syllabus)	Academic Year	: 2017-2018
Course No.	: DBM-102	Course Title	: Economic Analysis
Credits	: 2+0=2	Total Marks	: 50
Day & Date	: Tuesday, 02.01.2018	Time	: 11.00 to 13.00 Hrs.

- Note :**
- 1) All questions from **Section 'A'** are compulsory.
 - 2) Solve **Any Five** questions from **Section 'B'**.
 - 3) Draw neat and well labeled diagram wherever necessary.

SECTION –‘A’

Q. 1. A) Choose the most appropriate answer from the options given below. (05)

- i) Economics deals with how
 - a) Individuals become rich
 - b) Society can eliminate scarcity
 - c) Individuals make decisions to use scarce resources in order to satisfy their unlimited wants
 - d) How to increase the profits of firms
- ii) Consumer surplus is
 - a) Equivalent to value of the good or service in its intended use
 - b) Total expenditure divided by price per unit
 - c) Equivalent to value in exchange
 - d) The difference between what consumers would be willing to pay and what they have to pay
- iii) A competitive firm cannot affect its own output price because
 - a) Price is determined by consumers, not producers
 - b) It is only one firm among many, so the price is determined in the market as a whole
 - c) Market demand is perfectly elastic
 - d) Of government regulations, such as price floors and price ceilings
- iv) Conversion of milk into paneer creates utility.
 - a) Place
 - b) Time
 - c) Form
 - d) All of these
- v) In monopoly only seller is present in market.
 - a) One
 - b) Two
 - c) Many
 - d) All of these

B) Define the following terms. (05)

- i) Economics
- ii) Goods
- iii) Market
- iv) Demand
- v) Production

(P.T.O.)

- Q. 2 A) Give the formulae for the following. (05)
- i) Consumer surplus
 - ii) Income elasticity of demand
 - iii) Price elasticity of demand
 - iv) Marginal cost
 - v) Total cost
- B) State whether True or False. If false, rewrite the statement after making necessary corrections. (05)
- i) Fixed cost varies with respect to volume of production. **F**
 - ii) Diminishing marginal returns occurs when the marginal product of an input is falling. **F**
 - iii) In a typical cartel agreement, the cartel maximizes profit when it behaves as a perfectly competitive firms. **T**
 - iv) Air has utility, but since it is not scarce or transferable, it may have no value. **F**
 - v) In economics, anything that has value is called wealth. **T**

SECTION – 'B'

- Q. 3 Explain the law of diminishing marginal utility along with suitable example. (06)
- Q. 4 Explain "elasticity of demand" with its type in details. (06)
- Q. 5 Explain in detail the production function along with law of returns. (06)
- Q. 6
- a) Explain the terms – marginal cost and average cost. (02)
 - b) Enlist practical application of microeconomics. (02)
 - c) State types of demand. (02)
- Q. 7
- a) Explain the basic problems of economics. (03)
 - b) Write an explanatory note on national income. State its component. (03)
- Q. 8
- a) Write a note on demand schedule (02)
 - b) Explain briefly the concept of "economies of scale". (02)
 - c) Write a note on "operation flood program". (02)
- Q. 9
- a) Describe with examples the Utility of form. (02)
 - b) What is market structure? Discuss the characteristics of a monopolistic market. (04)
