

MAHARASHTRA ANIMAL AND FISHERY SCIENCES UNIVERSITY, NAGPUR
SEMESTER END THEORY EXAMINATION, B.Tech. (D.T.)

Semester	: II (V Dean)	Academic Year	: 2021-2022
Course No.	: DBM-205	Course Title	: Economic Analysis
Credits	: (2+0=2)	Total Marks	: 50
Day & Date	: Thursday, 03/11/2022	Time	: 02:30 Hrs

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

SECTION – 'A'

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

- i) The shape of average fixed cost curve is
 - a) Horizontal straight line
 - b) Vertical
 - c) Rectangular hyperbola
 - d) U - shaped
- ii) Consumer surplus is
 - a) Potential price – Actual price
 - b) $MV_n = TV_n - TV_{n-1}$
 - c) Demand = supply
 - d) None of these
- iii) The firm and industry are one and the same under
 - a) Perfect competition
 - b) Duopoly
 - c) Oligopoly
 - d) Monopoly
- iv) Perfectly inelastic demand has price elasticity of demand (p)=.....
 - a) Infinity
 - b) Unity
 - c) Less than 1
 - d) Zero
- v) A general and sustained increase in the prices of all goods and services is called
 - a) Stagflation
 - b) Recession
 - c) Inflation
 - d) Deflation

B) Define the following. (05)

- i) Variable costs
- ii) National income
- iii) Monopolistic competition
- iv) Marginal Utility
- v) Marginal Revenue

Q. 2 A) Give the reasons for the following (05)

- i) AVC curve is U-shaped.
- ii) Normally, the demand curve sloped downward.
- iii) Long-run average cost curve is also known as "Envelope Curve".
- iv) Rational firm always produce in stage II of production curve.
- v) Always prices in monopoly are higher than perfect competition.

(P.T.O.)

- B) State whether True or False. If false, rewrite the statement after making necessary corrections. (05)
- i) Ink and pen have zero cross elasticity of demand.
 - ii) Machinery and factory building are variable factors.
 - iii) A commodity is said to have derived demand when its use is made in more than one purpose.
 - iv) GDP includes net income from abroad.
 - v) Under monopoly the slope of AR curve is horizontal.

SECTION –‘B’

- Q. 3 A) Discuss any two methods of measuring national income. (05)
B) Differentiate between cardinal and ordinal utility approach for consumer behavior. (05)
- Q. 4 A) Define price elasticity of demand. Explain the methods for estimating price elasticity of demand. (05)
B) What is demand forecasting? Discuss any two methods of demand forecasting. (05)
- Q. 5 A) Explain with the help of diagram, the concept of consumer surplus. (03)
B) What is GDP? How it is different from GNP? (03)
C) Differentiate between perfect competition and monopoly. (04)
- Q. 6 A) What is inflation? Enumerate its various types. (03)
B) Write a short note on economies of scale. (03)
C) Explain laws of diminishing marginal utility and equi-marginal utility. (04)
- Q. 7 What is production function? State law of diminishing marginal returns? Explain the three stages of production function with the help of suitable diagram. (10)
