

Q.1 I) Fill in the blanks 04

- a) Production function is nothing but _____
- b) Consumer's demand for consumption goods is _____ demand
- c) A shift in the demand curve to the right means _____
- d) When demand increases and supply decreases ; now the price is _____ than original price.

II) Match the following 04

- | | |
|------------------------------|---|
| a) Unit elasticity of Demand | a) Fixed by the govt. |
| b) Transfer price | b) long run |
| c) administered price | c) Rectangular hyperbola. |
| d) All costs are variable | d) Price of goods transferred from one dept. to another dept. |
| | e) Short run. |

III) Explain the validity of the following statements, stating true or false with reasons. 07

- a) Economies of Scale implies decreasing average total cost.
- b) Durable goods have inelastic demand.
- c) The existence of perfect Competition is unrealistic.
- d) Scarcity of resources arises only in poor countries.
- e) Under the consumer survey method, the consumers are interviewed directly.
- f) Under test marketing, market experiment is performed under actual market conditions.
- g) The slope of the curve indicates whether the relationship between X and Y is 3 direct or inverse.

Q.2 Types and methods of Demand forecasting. 15

OR

Q.2 Construct an imaginary demand and supply schedule and show the determination of equilibrium price through diagrams 15

Q.3 Explain perfect competition and equilibrium of a firm in perfect competition. 15

OR

Q.3 Name some industries which have experienced economies of Scale due to expansion. What will be the diseconomies of Scale if they continue to expand.

Q.4 Classical approach of Law of variable proportions. with diagram.

OR

Q.4 Explain with diagram AR and MR curves in perfect competition and monopoly,