

MID-WESTERN UNIVERSITY  
EXAMINATIONS MANAGEMENT OFFICE  
MAKE-UP EXAMINATION: 2018  
BACHELOR OF BUSINESS STUDIES (BBS)  
SEMESTER – I

Subject: Microeconomics  
Full Marks: 60

Course Code: MGMT 313  
Time: 3:00 Hours

*You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.*

**SECTION A: VERY SHORT ANSWER QUESTIONS (10 X1 = 10 MARKS)**

Answer **ALL** questions.

- Q1. Define microeconomics with appropriate example.
- Q2. What do you mean by linear demand function?
- Q3. In which stage dose a rational producer produce?
- Q4. Point out two properties of indifference curve.
- Q5. What do you mean by explicit cost?
- Q6. A firm produces 50 units of output, where its total fixed cost is Rs. 100 and total variable cost is Rs. 200. Find TC and AC.
- Q7. When marginal curve cuts average cost curve? Illustrate with a figure.
- Q8. Write two important features of oligopoly market.
- Q9. Distinguish between money wage and real wage.
- Q10. Why profit rise in innovative theory of profit?

**SECTION B: SHORT ANSWER QUESTIONS (3 X 8 = 24 MARKS)**

Answer any **THREE** questions.

- Q11. What are the uses of microeconomics for business decision making? 8
- Q12. Calculate the price elasticity of demand from the following schedule:

Points	A	B	C	D
Price	10	15	20	25
Qty. Demand	50	30	15	10

- a) Calculate the price elasticity of demand from point B to C and interpret the result. 4
- b) Calculate the price elasticity of demand from D to A and interpret the result. 4
- Q13. How the consumer is equilibrium with the consumption of two commodities in cardinal utility analysis? 8
- Q14. Critically explain the dynamic theory of profit. 8

**SECTION C: LONG ANSWER QUESTIONS (2 X 13 = 26 MARKS)**

Answer any **TWO** questions.

- Q15. Explain the law of demand. Discuss the concept of movement along demand curve and shift in demand curve? 5+4+4
- Q16. What do you mean by perfect competition? How price and output is determined in perfect competition in short run and long run? 3+10
- Q17. Explain the optimal combination of two inputs. How this equilibrium is achieved by producer? 6+7

