First Year B. Com. (Sem. I) (Honours) Examination
March / April - 2015
Business Economics

Time : Hours] [Total Marks : 50

1 Give answers in brief of the following questions : 10

(1) Distinguish between extension and increase in demand.

(2) Give the formula of arc price elasticity of demand.

(3) What is meant by Production Function ?

(4) State the meaning of marginal revenue.

(5) State the difference between average fixed cost and average variable cost.

2 Explain the factors affecting demand. 13

OR

2 Explain the factors affecting price elasticity of demand. 13

3 What is meant by optimum factor combination in production ? Explain with the help of isoquants and isocost lines how a producer achieves this combination of factors. 13

OR

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3 Explain the law of variable proportion.

4 Write short notes: (any two)
   (1) Production Possibility Curve
   (2) Critical evaluation of free price mechanism
   (3) Relationship between average cost and marginal cost
   (4) L-Shaped long run average cost curve.