8. Write short notes on **any three** of the following :

(a) Economic Profit

(b) Normative and positive analysis

(c) Investment and Savings

(d) Returns to scale (5+5+5)

[This question paper contains 4 printed pages.]

Your Roll No..............

Sr. No. of Question Paper : 782 **I**

Unique Paper Code : 6202461103

Name of the Paper : Business Economics

Name of the Course : **B.Voc. (Banking, Financial Services and Insurance)**

Semester : I

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. The paper has total **8** questions.
3. Attempt any **six** questions.
4. Each question is of **15** marks.

1. What are the basic microeconomic and macroeconomic problems of an economy? and how does market mechanism solve these basic problems? (8+7)

2. Explain the features of a firm under Perfect Competition. What are the conditions of profit maximization in a Perfectively Competitive Market. (7+8)

3. Discuss properties of indifference curve. Using suitable graphs, discuss separately the shapes of indifference curves in case of substitutes, complements, and normal goods. (5+10)

4. Discuss the different phases and causes of a business cycle. Explain the concepts of gross national product, gross domestic product, net domestic product, and net national product. (7+8)

5. Discuss the main determinants of market demand of a good. Explain the three degrees of price discrimination practiced by monopolists. (7+8)

6. Calculate values of price elasticity and income elasticity using the following tabulated information for Good X. Based on the calculated values, comment on the nature of Good X.

Income of Consumer (M)	Price of good X (P_x)	Quantity demanded of good X (D_x)
Rs. 1,500	Rs. 25	80
Rs. 3,000	Rs. 20	100

(10+5)

7. Using suitable graphs, explain the relationship between short-run average cost curve and long-run average cost curve. Discuss the reasons for economies and diseconomies of scale. (7+8)

P.T.O.