

N.B :

- 1) All questions are compulsory.
- 2) Figures to the right indicate full marks.
- 3) Use of simple calculator is allowed.

- Q.1 a) Explain various tools used in economic analysis. [10]
 b) Explain the concept of dumping. [05]

OR

- Q.1 a) Explain what is demand forecasting & methods of demand forecasting. [10]
 b) Explain marginal cost pricing. [05]

- Q.2 a) Explain the concept of Total revenue, Marginal revenue & Average revenue in detail. [08]
 b) Explain the structure of Average cost, Marginal cost & Total cost in short run [07]

OR

- Q.2 Calculate Total Variable cost, Marginal cost, Average Fixed cost, Average variable cost & Average cost with the help of following data if Total fixed cost is Rs.55/- [15]

| Output | 1 | 2 | 3 | 4 | 5 | 6 |
|------------|----|-----|-----|-----|-----|-----|
| Total cost | 85 | 110 | 130 | 160 | 210 | 280 |

- Q.3 a) Explain price & output determination under perfect competition in short run & long run. [10]
 b) Explain the significance of capital budgeting. [05]

OR

- Q.3 a) Explain what are the features of perfect competition. [08]
 b) Explain production possibility curve analysis. [07]

- Q.4 a) Explain determination of equilibrium price in free market economy. [10]
 b) Find out relation between the two goods using cross elasticity of demand. [05]

| Commodity | Before | | After | |
|-----------|--------|-----|-------|-----|
| | Price | Qty | Price | Qty |
| X | 10 | 20 | 20 | 15 |
| Y | 20 | 40 | 20 | 35 |

OR

- Q.4 a) Explain external economics of scale in detail. [08]
 b) Explain transfer marginal cost pricing & cost plus pricing as ways of pricing policy. [07]

