Name: **Enrolment No:**	

UPES

End Semester Examination, May 2025

Course: Business Economics I (Micro).
Semester: II
Program: BA LLB (H) **Time: 03 hrs.**
Course Code: CLNL1014 **Max. Marks: 100**

Instructions: All questions are mandatory. Calculators are allowed. Label all the graphs properly.

SECTION A
(5Qx2M=10Marks)

S. No.		Marks	CO
Q 1	Compare the fixed and variable costs associated with the firm in the short run. Provide examples in each.	**2**	**CO1**
Q2	Define the short run and long run production functions.	**2**	**CO1**
Q3	Interpret the movement along demand curve and shift in demand curve	**2**	**CO2**
Q4	State the concept of price elasticity of demand.	**2**	**CO2**
Q5	State nature, and objectives of Business Economics	**2**	**CO2**
	SECTION B **(4Qx5M= 20 Marks)**		
Q 6	Discuss the concept of expansion path graphically using Isoquants and Isocost lines.	**5**	**CO3**
Q7	Summarize the assumptions of the perfect competition market.	**5**	**CO3**
Q8	Describe graphically the case of a perfectly competitive that aims to maximize profits through total Revenue and Total Cost (TR-TC) in the short run.	**5**	**CO3**
Q9	The price of gym membership *increases* from ₹1,000 to ₹1,200 per month. As a result, the number of memberships sold *drops* from 800 to 640. Calculate the Price Elasticity of Demand (PED) using the proportional method, plot the demand curve, and interpret the result (*consider modulus value of PED*).	**5**	**CO4**

<table>
<tr><td colspan="4">SECTION-C
(2Qx10M=20 Marks)</td></tr>
<tr><td>Q10</td><td>Describe the law of variable proportions graphically, with the help of Total Product (TP), Average Product of Labour (AP_L), and Marginal Product of Labour (MP_L) curves.</td><td>10</td><td>CO3</td></tr>
<tr><td>Q11</td><td>Describe the equilibrium of Monopoly firm generating super normal profits in the short run using Marginal Revenue and Marginal Cost (MR-MC) approach and state the necessary and sufficient conditions.</td><td>10</td><td>CO3</td></tr>
<tr><td colspan="4">SECTION-D
(2Qx25M=50 Marks)</td></tr>
<tr><td>Q 12</td><td>a) Explain graphically Total Fixed Cost (TFC), Total Variable Cost (TVC), Total Cost (TC); Average Fixed costs (AFC), Average Variable Costs (AVC), Average Total Cost (ATC); and Marginal Cost (MC) for a firm operating in the short run.

b) Calculate the Total Cost (TC); Average Fixed costs (AFC), Average Variable Costs (AVC), Average Total Cost (ATC) and Marginal Cost (MC) based on the following cost structure of a hypothetical firm manufacturing Tables.
<table>
<tr><th>Output of Tables (units)</th><th>TFC (₹)</th><th>TVC (₹)</th><th>TC</th><th>AFC</th><th>AVC</th><th>ATC</th><th>MC</th></tr>
<tr><td>0</td><td>60</td><td>0</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>1</td><td>60</td><td>60</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>2</td><td>60</td><td>100</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>3</td><td>60</td><td>150</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>4</td><td>60</td><td>260</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>5</td><td>60</td><td>390</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>6</td><td>60</td><td>550</td><td></td><td></td><td></td><td></td><td></td></tr>
</table></td><td>50</td><td>C04</td></tr>
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