

Name:

Enrolment No:



**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, Dec-2020**

Course: Business Economics

Program: B.Sc. LLB (Hons.)

Course Code:

Semester: V

Time: 03 hrs.

Max. Marks: 100

Instructions:

**SECTION A (30 Marks)**

S. No.		Marks	CO
Q 1	Explain the concept of GDP.	5	CO4
Q 2	Discuss the factors affecting supply of a good in brief.	5	CO2
Q 3	Explain the concept of Isoquants and its properties in brief.	5	CO3
Q 4	Discuss the difference between Accounting profit and Economic profit.	5	CO1
Q 5	What do you mean by Cross Elasticity of Demand?	5	CO4
Q 6	Why does demand curve slopes downward?	5	CO2

**SECTION B (50 Marks)**

Q7	The table illustrates the demand and supply of dry coconut. It shows the quantity that suppliers are willing to supply to the market and the quantity that demanders (companies purchasing dry coconut) are willing and able to buy at different prices.	10	CO2																								
	<table border="1"><thead><tr><th>Price per tonne(£)</th><th>Demand for coconut(tonnes)</th><th>Supply for coconut(tonnes)</th></tr></thead><tbody><tr><td>500</td><td>900</td><td>300</td></tr><tr><td>750</td><td>800</td><td>400</td></tr><tr><td>1000</td><td>700</td><td>500</td></tr><tr><td>1250</td><td>600</td><td>600</td></tr><tr><td>1500</td><td>500</td><td>700</td></tr><tr><td>1750</td><td>400</td><td>800</td></tr><tr><td>2000</td><td>300</td><td>900</td></tr></tbody></table>			Price per tonne(£)	Demand for coconut(tonnes)	Supply for coconut(tonnes)	500	900	300	750	800	400	1000	700	500	1250	600	600	1500	500	700	1750	400	800	2000	300	900
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(i) Describe the relationship between the price and demand of dry coconut																											
(ii) Describe the relationship between the price and supply of dry coconut																											
(iii)What is likely to be market price of coconut and why?																											
Q8	Suppose price is initially \$5.00 and the corresponding quantity demanded is 1,000 units. Suppose that the price rises to \$5.75, the quantity demanded falls to 800 units. What is the price elasticity of demand over this region of demand curve? Is demand	10	CO3																								

	elastic or inelastic? Explain the concept related to this.		
Q9	What do you mean by Demand forecasting. Discuss the methods of demand forecasting when a new product is to be launched in the market by a company.	<b>10</b>	<b>CO3</b>
Q10	What is the impact of COVID-19 pandemic on Indian and global economy.	<b>10</b>	<b>CO4</b>
Q11	Explain the law of variable proportions with its various stages in detail.	<b>10</b>	<b>CO1</b>
<b>SECTION-C (20 Marks)</b>			
Q 12	<p>The output and cost data for a firm are given below.</p> <p>Work out the following costs: TFC, TVC, AFC, AVC, AC and MC at various levels of output.</p> <p>The quantity of output is from 0 to 5, the fixed cost is 60 \$per output and variable cost (\$) is 0, 20,30,45,80,135.</p> <p>Explain the relationship between the different cost curves with a diagram.</p>	<b>20</b>	<b>CO3</b>