Name: Enrolmo	ent No:		UPES	
			UNIVERSITY WITH A PURPOSE	
			UM AND ENERGY STUDIES	
			December-January 2021-22	
		Economics I	Semester:	
		Com-MBA	Course code: H	CON1001
Time: 0	3 Hours		Max. Marks:	100
		SECT	ION A	
1. Each	Question	will carry 2 Marks		
		ect the correct answer(s)		
				СО
Q1	If a decr	ease in income increases the demand for	a good then	
X ¹	a.	the good is a substitute good.		
	b.	the good is a complement good.		CO1
	c.	the good is a normal good.		001
	d.	the good is an inferior good.		
Q2			nilla pudding. Assuming all other things are	
			igher. How would your demand for vanilla	
		be affected by this?		
	a.	It would decrease.		CO1
	b.	It would increase.		
	с.	It would be unaffected.		
	d.	There is insufficient information given	to answer the question.	
Q3	A dema	d curve is		
	a.	the downward-sloping line relating the	price of the good with the quantity	
		demanded.		CO2
	b.	the upward-sloping line relating price w		002
	с.	the curve that relates income with quant	ity demanded.	
	d.	None of the above answers are correct.		
Q4		curve slopes upward because		
	a.	an increase in price gives producers inc		
	b.	an increase in input prices increases sup		CO2
	c.	a decrease in input prices decreases sup	•	
05	d.	as more is produced, per unit costs of pr		
Q5		that there is an increase in input prices.	we would expect	
	a.	supply to increase.		CO1
	b.	supply to decrease. supply could increase or decrease.		COI
	c. d.	supply to remain unchanged.		
Q6		ase in the price of oranges would		
	a.	lead to an increased supply of oranges.		
	a. b.	lead to a movement up the supply curve	for oranges	CO2
	о. с.	lead to an increased demand for oranges		
	d.	lead to a reduction in the prices of input		

Q7	The price elasticity of demand measures					
V	a. how responsive buyers are to a change in income.					
	b. how responsive sellers are to a change in price.	CO1				
	c. how responsive buyers are to a change in price.	COI				
	d. how responsive sellers are to a change in buyers' income.					
Q8	Demand for a good would tend to be more elastic,					
Qo	a. the greater the availability of complements.					
	b. the longer the period of time considered.	CO2				
		02				
	c. the broader the definition of the market.d. the fewer substitutes there are.					
Q9						
Q9	Economists compute the price elasticity of demand as					
	a. the percentage change in the price divided by the percentage change in quantity demanded.					
	b. the percentage change in the quantity demanded divided by the percentage change in	CO1				
	price.					
	c. the change in quantity demanded divided by the change in the price.					
	d. the percentage change in the quantity demanded divided by the percentage change in					
Q10	income The production function describes the relationship between which two variables?					
QIU						
	a. inputs and cost	CO2				
	b. inputs and revenue	02				
	c. outputs and profitd. inputs and outputs					
	d. inputs and outputs SECTION B					
1 5 1						
	question will carry 5 marks					
2. Instru	action: Write short / brief notes					
Q1.	Suppose the demand function for a firm's product is given by					
	$Q_d = 3 - 0.5 P_x - 2.5 P_y + 0.001M + 0.02A$					
	where					
	a. $P_x = 10					
	b. $P_{v} = \$ 4$	CO1				
	c. $M = $ \$ 20,000 and					
	d. $A = 250					
	Determine the own price elasticity of demand, and state whether demand is elastic, inelastic,					
	or unitary elastic.					
Q2.	Draw the graph of following demand function					
~		CO2				
02	$Q_d = 10 - 2P \text{ where } 0 \le P \ge 5$					
Q3.	A firm produces output according to the production function $P_{i}(W_{i}) = 2W_{i} + 4W_{i}$					
	Q = F(K,L) = 2K + 4L					
	a. How much output is produced when $K = 2$ and $L = 3$?	CO3				
	b. If the wage rate is \$30 per hour and the rental rate on capital is \$10 per hour, what is					
	the cost-minimizing input mix for producing 16 units of output?					
0.1						
Q4.	The cost function for a firm is given by $C(0) = 5 + 0^2$					
	$C(Q) = 5 + Q^2$	CO4				
	If the firm sells output in a perfectly competitive market and other firms in the industry sell					
	output at a price of \$ 20, what price should the manager of this firm put on the product? What level of output should be produced to maximize profits? How much profit will be earned?					
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	ch Question carries 10														
	truction: Write long a							0.1			1				
Q1	Draw the graph of following information and explain movement and shift along the curve														
	Income														
	Price		Rs. 20,000		00	Ks.	30,000		Rs. 40,000						
	10	2		5			8		001						
	9	6		9			12		CO1						
	8		10 14		13 17			16 20							
	7														
	6			18		21			24						
	5			22			25		28						
Q2	Calculate price el	astici	ity from	the follo	owing										
	Price (Rs.)	8	7	6	5	4 3		2	1	0					
			,	Ū	5	•	5	-	1	Ŭ	CO2				
	Quantity (1b)	0	1000	2000	3000	4000	5000	6000	7000	8000					
Q3	A firm can manuf	factur	re a prod					ction							
	$Q = F(K,L) = K^{3/4}L^{1/4}$														
				U =	F (K,L)	$= K^{-}L$	$Q = F(R, L) = R + L^{2}$ Calculate the average product of labor, APL, when the level of capital is fixed at 16 units and								
	Colculate the aver	-000 I	product	v				sital is fi	vad at 16	units and	CO3				
			-	of labor,	APL, wh	nen the le	vel of cap				CO3				
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