


Name:			
Enrolment No:			
UPES End Semester Examination, May 2023			
Course: Business Economics -I Program: BA_LL B Course Code: CLNL1014		Semester: II Time : 03 hrs. Max. Marks: 100	
Instructions:			
SECTION A (5Qx2M=10Marks)			
S. No.		Marks	CO
Q 1	Which of the following statements is true about a Giffen good? A) An increase in price leads to an increase in quantity demanded B) A decrease in price leads to an increase in quantity demanded C) The income effect dominates the substitution effect D) The substitution effect dominates the income effect	2	CO1
Q 2	Which of the following is a factor that can shift a consumer's demand curve? A) A change in the consumer's income B) A change in the price of a complementary good C) A change in the price of a substitute good D) All of the above	2	CO1
Q 3	A price ceiling is: A) A minimum price that can be charged for a good or service B) A maximum price that can be charged for a good or service C) The price at which the quantity demanded equals the quantity supplied D) The price at which the quantity supplied is greater than the quantity demanded	2	CO1
Q 4	Market equilibrium occurs when: A) The government sets a price ceiling on a good or service B) The quantity demanded equals the quantity supplied C) The quantity demanded is greater than the quantity supplied D) The quantity supplied is greater than the quantity demanded	2	CO1
Q 5	The law of supply states that: A) As the price of a good increases, the quantity demanded decreases B) As the quantity of a good supplied increases, the marginal cost of each additional unit supplied decreases C) As the quantity of a good supplied increases, the marginal cost of each additional unit supplied increases D) As the price of a good decreases, the quantity supplied increases	2	CO1

SECTION B (4Qx5M= 20 Marks)			
Q 6.	How do total product, average product and marginal product change due to a change in the use of one input, keeping other inputs constant?	5	CO1
Q 7.	Why is it important for economists to understand the distinction between normative and positive economics.	5	CO2
Q 8.	State the features of monopoly firm.	5	CO3
Q 9.	Explain consumer surplus with suitable graph.	5	CO2
SECTION-C (2Qx10M=20 Marks)			
Q 10.	Write your opinion for perfect competition market. How an industrialist finds equilibrium price under perfect competition in short run. Suggest when a firm in perfectly competitive market should shut down its operation.	10	CO4
Q 11.	The Market Consists of three consumers: A, B and C, whose individual demand equations are as follows: $Q_dA = 30 - 1.00P$, $Q_dB = 22.5 - .75P$, $Q_dC = 37.50 - 1.25P$, and the industry supply function equation is given by $Q_s = 40 + 3.5P$. Determine market equilibrium price and quantity.	10	CO3
SECTION-D (2Qx25M=50 Marks)			
Q 12.	<p>Suppose you are a consultant hired by a new company that is planning to enter the market for mobile phone apps. The company has developed a new app that allows users to easily track and monitor their daily water intake. The company is interested in your advice on which market structure they should target.</p> <p>a) What are the different forms of market structures in economics, and how do they differ from each other?</p> <p>b) Based on the characteristics of the company's product and the market, which market structure would you recommend they target, and why?</p>	25	CO4
Q 13.	<p>A) Suppose you are a manager of a Ujjwal restaurant and you want to determine the cross elasticity of demand between your pizza and a competitor's pizza. You have data on the quantity demanded of your pizza and the price of your competitor's pizza over a certain period of time:</p> <ol style="list-style-type: none"> The quantity demanded of your pizza was 1,500 units per week when the price of your pizza was \$10 per unit. During the same period, the price of your competitor's pizza was \$12 per unit. After a price increase by your competitor, the price of their pizza rose to \$15 per unit, and the quantity demanded of your pizza increased to 1,800 units per week. 	25	CO4

	<p>B) A manufacturing company has been experiencing increasing costs as it has expanded its production capacity. What are some possible reasons for this, and how could the company address the issue?</p> <p>Calculate the cross elasticity of demand between your pizza and your competitor's pizza,</p>		
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