

Name:
Enrolment No:



UNIVERSITY OF PETROLEUM & ENERGY STUDIES
End Semester Examination (Online) – December, 2020

Program: BBA (EPRCC)
Subject/Course: Business Economics-I
Course Code: ECON1001

Semester: I
Max. Marks: 100
Duration: 3 Hours

SECTION A (6*5= 30 Marks)		
Q.No.	1. Each Question will carry 5 Marks 2. Instruction: Complete the statement / Select the correct answer(s)	COs
1.	Quantity demanded refers to different amounts of commodity intended to be purchased by the consumer at different possible prices? Is this statement is correct?	CO2
2.	Are consumers' wealth and expectations considers as factors of demand function?	CO2
3.	When quantity demanded exceeds the quantity supplied at the current price, it termed as: A) + demanded, shortage supply shortage demanded, +supply C) Inconclusive situation D) None	B) CO3
4.	What does Infinite Price Elasticity indicates? i) No change in price causes an infinite change in quantity demanded of a commodity; ii) Small change in price causes an infinite change in quantity demanded of a commodity; or iii) Inflexibility in price causes an infinite change in quantity demanded of a commodity.	CO3
5.	<i>"Total expenditure decreases when price increases!"</i> a) Less than nitary b) Inelastic c) Elastic d) Greater than unitary Referring to above points, what does the abovementioned situation indicates? i) both a & b are correct ii) both b& c are correct iii) both c & d are correct iv) only c	CO3
6.	Who evolved the method of measuring 'elasticity of demand'? a) B.C. Schiller; b) Marshall; c) Thomas; and d) Ferguson	CO1
Section B (5*10= 50 Marks)		
1. Each question will carry 10 marks 2. Instruction: Write short / brief notes		

1	Critically explain the difference between: a) Point elasticity method and Arc elasticity method; and b) Total outlay method and Proportionate method	CO3
2	Explain factors determining price elasticity of demand.	CO1
3	Using suitable examples, clearly explain the difference between zero income elasticity of demand and zero cross elasticity of demand.	CO4
4	What are the importance of Elasticity of supply?	CO2
5	What happens if indifference curves intersect each other? Explain using a suitable diagram.	CO3
Section C (1*20)= 20 Marks		
1. Each Question carries 20 Marks.		
2. Instruction: Write long answer.		
1	Draw a table and a diagram to explain the concept of consumer's surplus. Should consumer surplus be the same for buyers X and Y of a commodity? OR Substitution effect never fails the law of demand, while income effect can. Explain the statement with reference to your own consumption behavior.	CO4