Roll No. ....

56505

MBA 5 Yr. 1st Semester (N.S.) Examination – February, 2022

MICRO ECONOMICS FOUNDATIONS

Paper : 501P-5

Time : Three Hours] *[Maximum Marks : 80*

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard, will be entertained after examination.

Note : Attempt 5 questions in all, selecting ***one*** question from each Unit. Question No. 1 is ***compulsory***. All questions carry equal marks.

1. Write short note on the following :

   (a) Micro economics

   (b) Equi-marginal utility

   (c) Law of supply

   (d) Complimentary goods

   (e) Difference between Total Revenue and Average Revenue

   (f) Economies of scale

   (g) Oligopoly

   (h) Diversification strategy

UNIT – I

2. How can we classify the economic variables ? Discuss in detail about the various tools used for economic analysis.

3. What do you mean by economic system ? Discuss the various economic systems in detail.

UNIT – II

4. Explain the difference between increase in demand and extension of demand and decrease in demand and contraction of demand. Discuss the conditions under which increase in price leads to increase in demand.

5. Explain the law of Diminishing Marginal Utility. Discuss the importance and limitations of this law.

UNIT – III

6. Explain the law of variable proportions. Explain various stages of this law with the help of table and diagram.

7. Explain the mutual relationship between Average Cost, Marginal Cost and Total Cost with the help of tables and diagrams. Do they differ in short run and long run ?

UNIT – IV

8. What are the characteristics of perfect competition ? Analyze the short run equilibrium of a competitive firm.

9. (i) What do you understand by merger and acquisition ? Explain various types of merger and acquisition methods in detail.

   (ii) What do you mean by locational decision ? Explain various factors affecting locational choice of a firm.