

**PAPER 2nd : May / June, 2017**  
**BUSINESS ECONOMICS (107)**

**Time : Three Hours] [Maximum Marks : 90      [Minimum Pass Marks :32**

**Note : Attempt all the five question. One question from each Unit is compulsory. All questions carry equal marks.**

Unit-I

1. State and explain the Law of Demand. <http://www.prsunotes.com>

OR

Explain the three methods of measuring elasticity of demand.

Unit-II

2. Define 'iso-product curves, Explain the properties of Iso-product curves.

OR

What do you mean by Cost Analysis? State different cost concepts useful for managerial decision-making.

Unit-III

3. What is a firm? Show how a firm maximises its profit under perfect competition.

<http://www.prsunotes.com>

OR

What is Price Discrimination? Explain the conditions under which price discrimination is possible and profitable.

Unit-IV

4. What is monopolistic competition? What are the characteristics of monopolistic competition? Explain.

OR

Explain with diagram the concept of kinked demand theory.

<http://www.prsunotes.com>

Unit-V

5. Explain in detail the modern theory of factor pricing.

OR

Write short notes on any two of the following:

- (a) Determination of wage rates under perfect competition
- (b) Theories of Interest
- (c) Modern theories of rent

<http://www.prsunotes.com>