

**PARUL UNIVERSITY****FACULTY OF LAW****I- B.B.A. LL.B. Summer 2018 – 19 Examination****Semester: 2****Subject Code: 17303182****Subject Name: Micro Economics****Date: 15/04/2019****Time: 10.30 am to 1.00 pm****Total Marks: 60****Instructions:**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

**Q.1 Do as directed.****(15)**(MCQ) (1 marks each. All Compulsory)

1. \_\_\_\_\_ is a competitive market situation where there are many sellers, but they are selling heterogeneous (dissimilar) goods as opposed to the perfect competitive market scenario.

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|--------------|--------------------------|
| a) Monopoly  | b) Imperfect competition |
| c) Oligopoly | d) Perfect competition   |

2. A \_\_\_\_\_ has only one buyer for a particular good or service, giving that buyer significant power in determining the price of the products produced.

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|--------------|--------------|
| a) oligopoly | b) monopoly  |
| c) duopoly   | d) monopsony |

3. \_\_\_\_\_ refers to the functional relationship between market demand and the factors affecting market demand.

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|----------------------|---------------------------|
| a) Supply curve      | b) Demand curve           |
| c) Possibility curve | d) Market demand function |

4. \_\_\_\_\_ is a group of buyers and sellers of a particular good or service.

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|--------------|-----------|
| a) Inflation | b) Market |
| c) Supply    | d) Demand |

5. The \_\_\_\_\_ is the change in consumption patterns due to a change in the relative prices of goods.

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|------------------------|------------------|
| a) supply              | b) income effect |
| c) substitution effect | d) duopoly       |

6. Consider the following statements and identify the right one/ones:

[i] Finite resources can be renewed.

[ii] Opportunity cost measures the cost of any choice in terms of the next best alternative foregone.

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|----------------------|--------------|
| a) only [i]          | b) only [ii] |
| c) both [i] and [ii] | d) none      |

7. Which of the following is not a characteristic/ assumption of perfect competition:

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|------------------------|------------------------|
| a) Perfect knowledge   | b) Free entry and exit |
| c) Transportation cost | d) Homogeneous product |

8. \_\_\_\_\_ means other things being equal.

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|------------------------|-------------------------|
| a) Perfect competition | b) Ceteris paribus      |
| c) Monopoly            | d) Economic rationality |

9. Which is the correct equation for individual demand function:

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|--------------------------------------|--------------------------------------|
| a) $D_x = f(P_x, P_r, T, F)$         | b) $D_x = f(P_x, P_r, Y, T, F)$      |
| c) $D_x = f(P_x, P_r, Y, T, F, P_o)$ | d) $D_x = f(P_x, P_r, Y, P_o, S, D)$ |

10. \_\_\_\_\_ or limited resources, is one of the most basic economic problems we face.

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|-----------------|----------------------|
| a) Unemployment | b) Interdependence   |
| c) Scarcity     | d) None of the above |

