

SVKM's NMIMS University
School of Distance Learning

Business Economics / Micro Economics

Date: 14.12.2007
Time: 3.00 to 6.00

Marks: 100

Note: Attempt any 5 Questions
All questions carry equal marks
Draw diagrams wherever it is required

1. "Economies of scale may be either internal or external they may be technical, managerial, financial or risk-bearing" – Elucidate
2. a) Explain the concepts of Production function, Average Product and Marginal Product
b) Explain the law of diminishing returns to variable factor
3. Monopolistic Competition does not offer equilibrium in the short run to the industries. Why ?
4. Discuss Risk Analysis in capital budgeting
5. Write short notes on :
 - a. Isoquant
 - b. Internal rate of return
 - c. Distinguish between Micro and Macro Economics
 - d. Oligopoly
6. What do you understand by law of demand? What factors are important in explaining the law of demand?
7. What are the characteristics of Monopoly Market and Perfect Competition Market. Why perfect competition is liked as ideal form of market ?
8. State the law of diminishing returns in terms of labour and Capital. When does the law of diminishing returns begin to operate? What are its causes? Why does diminishing returns eventually set in?