

**B.V. Patel Institute of Business Management, Computer & Information Technology**  
**Uka Tarsadia University**  
**1<sup>st</sup> Internal Examination, BCOM - 1<sup>st</sup> Semester**  
**Micro Economics**

**Marks: 50**

**Time: 2 hrs.**

**Date: 26/08/2017**

**Q-1 Answer the following. (Any Eight)**

**[16]**

1. Draw indifference map.
2. What is cross elasticity of demand?
3. What is meant by total revenue (TR)? How is it obtained?
4. Classify the following pairs of goods into the categories of substitutes and complementary products and indicate the nature of their cross price elasticities (whether positive or negative).
  - (i) Cars and scooters
  - (ii) Bread and butter
  - (iii) Shoes and socks
  - (iv) Bat and ball
5. What is meant by marginal rate of substitution?
6. State any four the assumption of indifference curve.
7. Define scale of preference.
8. State the characteristics of perfect competition.
9. What is cross elasticity of demand and state its formula.

**Q-2 Answer the following. (Any Two)**

**[20]**

1. Define ICC. How is income consumption curve derived from indifference curve, explain in detail with the help of a diagram.
2. Explain the relationship between price and revenue under monopoly.
3. Draw and explain the diagram of price and output equilibrium of a firm under perfect competition in short run.

**Q-3 Answer the following in detail. (Any Two)**

**[14]**

1. What is revealed preference theory? Discuss the hypothesis of revealed preference theory.
2. Define indifference curve with a schedule? Explain its properties in detail.
3. Explain different types of price elasticity of demand with diagram.