

SET-A

[This question paper contains printed pages]

Sr. No. of Question Paper :

Roll No

Unique Paper Code : 61018311

Name of the Paper : Principles of MicroEconomics

Name of the Course : B.voc (BFSI)

Semester : 3rd

Duration : 3 hours

Maximum Marks : 75 Marks

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any 4 questions.
3. All questions carry equal marks.

(Attempt any 4 questions)

Q1) In a market, a number of toothpaste brands are available, discuss about the price elasticity of demand for those goods with the help of graph. Also explain different varieties of elasticity of demand using illustration, schedule and graphs.

Q2) Interpret the components of price effect using Indifference curves in case of a) inferior goods b) normal goods. Also derive the demand curve for both the normal and inferior goods using the above effects.

Q3) A firm uses two inputs in production, capital and labour. In the short run the firm can't adjust the amount of capital it is using but it can adjust the size of its workforce. What happens to be firm's average fixed cost average, variable cost, total cost, variable cost, average cost given the fixed cost is ₹ 200. Make the schedule given the marginal cost at various levels of labour starting from 0 to 7 labour is ₹ 0, 100, 90, 80, 100, 120, 140, 160.

Q4) Monopoly is considered inefficient by the benevolent social planner when it comes to comparing with competitive firm in relation to its price and quantity. Explain the above statement in light of deadweight loss of monopoly.

Q5) How a firm determines the demand for labour as a factor input in producing the good. What is the role of price of the output in determining the marginal profit. In the light of the above statement derive the demand for labour given the price of the output is ₹ 10 and the wage for labour is ₹ 100 and assuming that the labour force is providing diminishing marginal product.

Q6) Many countries are against the patented drugs and vaccines for Covid-19 as it can have the negative consequences on the prices and also on social welfare. Explain the above scenario with the help of graph in relation to patented drug and generic drug or vaccines and the impact on society if a patented vaccine or drug for the Covid 19 comes to the market.