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BRAINWARE UNIVERSITY

Term End Examination 2025-2026
Programme – BBA(DM)-Hons-2023/BBA(DM)-Hons-2024/BBA(DM)-Hons-2025
Course Name – Introduction to Microeconomics
Course Code - BBD10001
(Semester I)

Full Marks : 60 **Time : 2:30 Hours**

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question) 1 x 15=15

1. *Choose the correct alternative from the following :*

(i) Define individual demand.

a) The total demand for a single product in the market.
b) The demand of a single consumer for all products in the market.
c) The demand of a single consumer for a specific product.
d) The demand of all consumers in the market combined.

(ii) The cross-price elasticity of demand is defined as _____.

a) The responsiveness of quantity demanded of one good to changes in the price of another good.
b) The responsiveness of quantity supplied of one good to changes in the price of another good.
c) The responsiveness of income to changes in the price of a good.
d) The responsiveness of price to changes in the quantity demanded of a good

(iii) Recognize the factors affecting demand for a product.

a) Consumer income, price of substitutes, and tastes and preferences
b) Producer costs, government regulations, and technology advancements
c) Market competition, production capacity, and exchange rates
d) Weather conditions, advertising campaigns, and corporate social responsibility

(iv) State if the price elasticity of demand for a good is greater than 1, the demand is _____.

a) Inelastic
b) Elastic
c) Unitary elastic
d) Perfectly elastic

(v) Determine how the firm determines the price and quantity in monopoly.

a) By setting price equal to marginal cost
b) By maximizing total revenue
c) By considering market demand and cost structure
d) By following the decisions of other firms

(vi) Identify the market structure that tends to produce allocative efficiency.

a) Perfect competition
b) Monopoly

c) Both perfect competition and monopoly d) Neither perfect competition nor monopoly

(vii) Select the market structure in which firms produce differentiated products and have some degree of control over their prices.

a) Perfect competition b) Monopoly
c) Monopolistic competition d) Oligopoly

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(viii) Identify the number of firms in oligopoly market.

a) Large b) Few
c) Infinite d) Constant

(ix) Identify the market structure which has the highest interdependence among firms' decisions.

a) Perfect competition b) Monopoly
c) Monopolistic competition d) Oligopoly

(x) Interpret what diminishing marginal utility suggests.

a) Total utility reaches a maximum and falls b) Total utility reaches a minimum and rises
c) Total utility increases indefinitely d) Total utility remains constant

(xi) Choose the correct interpretation of a higher indifference curve.

a) It represents higher utility b) It represents lower utility
c) It represents equilibrium d) It represents a lower budget constraint

(xii) Choose the definition of a budget line.

a) A straight line b) A curved line
c) A line on a map d) A line in a budget

(xiii) Interpret in the law of variable proportion, what happens when one input is increased while keeping other inputs constant.

a) Marginal product of the variable input eventually diminishes. b) Average product remains constant.
c) Total product remains constant. d) Marginal product increases indefinitely.

(xiv) Choose the cost that which cannot be recovered.

a) Variable cost b) Total cost
c) Marginal cost d) Sunk cost

(xv) Choose the option that describes economies of scale in the long run.

a) Average cost b) Marginal cost
c) Fixed cost d) Variable cost

Group-B

(Short Answer Type Questions) 3 x 5=15

2. Define the concept of elasticity of demand. (3)
3. Differentiate between fixed cost and variable cost. (3)
4. Describe marginal rate of technical substitution of capital for labour. (3)
5. Explain the meaning of explicit and implicit cost (3)
6. Explain the shape of a demand curve under perfect competition. (3)

OR

Distinguish between Perfect competition and Monopolistic competition. (3)

Group-C

(Long Answer Type Questions) 5 x 6=30

7. Describe income elasticity of demand with a suitable example. (5)
8. Describe the main features of a Monopoly firm. (5)
9. Illustrate the main features of monopolistic competition. (5)
10. Diagrammatically explain how market demand curve is derived from individual demand curves. (5)
11. Illustrate the concept of perfectly elastic and perfectly inelastic demand. (5)

12. The short-run total cost function is given as TC= 100 + 50Q -12Q2 +Q3 where TC is the total cost and Q is the level of output. Calculate TC, FC, AFC, ATC, and AVC when the firm produces 10 units of output. (5)

OR

Deduce the examples of industries with increasing returns to scale. (5)

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