Seat No.:	Enrolment No.

## GUJARAT TECHNOLOGICAL UNIVERSITY MAM - SEMESTER- IV • EXAMINATION - WINTER 2015

Subject Code:4140503			Date: 09/12/2015	
Subject Name: Micro Economics Time:02.30 PM TO 05.30 PM Instructions:		2.30 PM TO 05.30 PM Total Marks:	Total Marks: 70	
	2.	Attempt all questions.  Make suitable assumptions wherever necessary.  Figures to the right indicate full marks.		
Q.1	(a) (b)	Define Business Economics and discuss its nature. Write a note on Circular Flow of Income and expenditure with suitable example.	07 07	
Q.2	(a) (b)	What is Elasticity of Demand? Explain in detail its applications.  Define Law of Supply. Also explain different factors affecting supply in detail.  OR	07 07	
	<b>(b)</b>	Explain the relationship between average revenue and marginal revenue under conditions of fixed price and changing price.	07	
Q.3	(a)	Explain the concepts of Average cost and Marginal cost with the help of diagrams.	07	
	<b>(b)</b>	Discuss the basic market forces that help in solving economic problems.  OR	07	
Q.3	(a) (b)	What is Perfect Competition? Discuss its important features.  Describe Income Elasticity of Demand with reference to Normal goods and Giffen goods.	07 07	
Q.4	(a)	Explain the derivation of LRAC curve from SRAC curves with the help of a diagram.	07	
	<b>(b)</b>	Differentiate Accounting costs and Economic costs.  OR	07	
Q.4	(a) (b)	Define Economies and Diseconomies of scale in detail.  Discuss Pricing scenario in India since 1991 with special reference to Electronics industry.	07 07	
Q.5	(a) (b)	Discuss the profit maximization situation under Perfect competition.  Explain Long run equilibrium of a firm under Perfect competition.  OR	07 07	
Q.5	(a) (b)	Differentiate Micro economics and Macro Economics. Briefly discuss different types of Elasticity of Demand.	07 07	

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