



DOON UNIVERSITY, DEHRADUN
Mid Semester Examination, First Semester, 2014
School of Management
IMBA (5 yrs. I Sem.)
Course: IMBA 102 : BUSINESS ECONOMICS-I

Time Allowed: 1.5 Hours

Maximum Marks: 30

Note: Attempt All Sections A, B, C.

SECTION: A *Attempt any five questions*

(Marks: 1*5)

1. If, by increasing the quantity of labour used by one unit, the firm can give up 2 units of capital and still produce the same output, then the $MRTS_{LK}$ is.....

2. A rightwards shift in supply curve indicates-

a) A decrease in supply	b) An increase in quantity supplied
c) An increase in supply	d) None of the above

3. An indifference curve is always-

a) Convex to origin	b) Concave to origin
c) Straight line	d) None of these

4. Cross elasticity of complementary good is-

a) Negative	b) Zero
c) High	d) Infinity

5. Differentiate between business economics & industrial economics.

6. Luxury goods are having elasticity of demand.

7. When income elasticity of demand is greater than unity, the commodity is

a) Necessity	b) Luxury
c) Inferior good	d) A non-related good

SECTION: B *Attempt all questions*

(Marks: 5*2)

Write short notes on the following:

1. Cross elasticity of demand.
2. Exceptions to law of demand.
3. Isoquant & Isocost curve.
4. Basis tools for economic analysis.
5. Cobb- Douglas production function.

SECTION: C *Attempt all questions*

(Marks: 7.5*2)

1. What do you mean by production function? Distinguish between law of return to scale and law of variable proportions.
2. Differentiate between law of supply and law of demand. Explain the reason behind negative sloping demand curve.