





**PART B**

**ANSWER ANY FOUR OUT OF SIX**

(4x7=28)

1. What do you understand by principle of unity of command?
2. What is strategic planning?
3. What is meant by decentralization of authority?
4. Explain the concept communication.
5. What is meant by leadership?
6. What are the objectives of planning?

**PART C**

**ANSWER ANY TWO OUT OF FOUR**

(2x15=30)

1. What is staffing? Explain the importance of staffing in a large business firm.
2. What do you mean by management? Discuss its functions and limitations.
3. Explain the methods of communication.
4. What do you mean by leadership discuss its essential qualities of a good leader.





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1<sup>st</sup> Semester Examination –2021-22

Subject : Micro Economics  
Course : B. Com [Hons.]  
Full Marks : 70

Roll No : .....

Time : 3 Hours.

**Instructions to the Candidates:**

- Read the question paper very carefully.
- Start writing from 2<sup>nd</sup> page onwards; **Don't Write On The 1<sup>st</sup> Page Backside.**
- Question Paper is divided into Three Parts –A, B & C.
- Part-A is containing 12 multiple choice questions.
- Part- B containing SIX questions out of which FOUR questions are to be answered.
- Part C containing FOUR questions out of which TWO questions are to be answered.
- Do not write anything except your Roll No. on the question paper.
- Possession of Mobile Phones or any kind of Written Material, Arguments with the Invigilator or Discussing with Co-Student will comes under Unfair Means and will Result in the Cancellation of the Papers.

**PART A**

**MULTIPLE CHOICE QUESTIONS**

(12x1=12)

1. Under \_\_\_\_\_, price is determined by the interaction of total demand and total supply in the market.
  - a. Perfect competition
  - b. Monopoly
  - c. Imperfect competition
  - d. Monopolistic Competition
2. In order to maximize profits, a firm should produce at the output level for which
  - a. Average cost is minimized
  - b. Marginal cost equals marginal revenue
  - c. Marginal cost is minimized
  - d. All of the above
3. Accounting profit is equal to total revenue minus
  - a. Implicit costs.
  - b. Variable costs.
  - c. The sum of implicit and explicit costs.
  - d. Explicit costs.
4. If a production function exhibits diminishing marginal product, its slope
  - a. Is linear (a straight line).
  - b. Becomes steeper as the quantity of the input increases.
  - c. Could be any of these answers.
  - d. Becomes flatter as the quantity of the input increases



5. Which of the following is a variable cost in the short run?
- Rent on the factory
  - Interest payments on borrowed financial capital
  - Wages paid to factory labour
  - Payment on the lease for factory equipment
6. A monopoly is able to continue to generate economic profits in the long run because
- There is some barrier to entry to that market.
  - Potential competitors sometimes don't notice the profits.
  - The monopolist is financially powerful.
  - Antitrust laws eliminate competitors for a specified number of years.
7. If marginal revenue exceeds marginal cost, a monopolists should
- Increase output.
  - Decrease output.
  - Keep output the same because profits are maximized when marginal revenue exceeds marginal cost.
  - Raise the price.
8. In long-run equilibrium in a competitive market, firms are operating at
- The minimum of their average-total-cost curves.
  - All of these answers are correct.
  - Their efficient scale.
  - Zero economic profit.
9. The competitive firm maximizes profit when it produces output up to the point where
- Price equals average variable cost.
  - Marginal revenue equals average revenue.
  - Marginal cost equals total revenue.
  - Marginal cost equals marginal revenue.
10. If a supply curve for a good is price elastic, then
- The quantity supplied is sensitive to changes in the price of that good.
  - The quantity demanded is insensitive to changes in the price of that good.
  - The quantity demanded is sensitive to changes in the price of that good.
  - The quantity supplied is insensitive to changes in the price of that good.
11. Which of the following would cause a demand curve for a good to be price inelastic?
- The good is a luxury.
  - There are a great number of substitutes for the good.
  - The good is a necessity.
  - None of these answers.



12. The demand for which of the following is likely to be the most price inelastic?

- a. Transportation
- b. Taxi rides
- c. Bus tickets
- d. Airline tickets

### PART B

ANSWER ANY FOUR OUT OF SIX

(4x7=28)

1. In oligopoly, there is no one single determinate solution, but a number of determinate Solutions depending upon different assumptions. Discuss
2. The success of price leadership of a firm depends upon the correctness of his estimates about the reactions of his followers. Explain
3. The kinked demand curve theory explains why a price once determined would remain sticky but does not determine that price level. Comment
4. The Stakleberg model assumes a duopoly but is not extendable to multiform oligopoly. Discuss
5. For a perfectly competitive firm, why is it insufficient to say that profit maximisation takes place at the output where marginal cost equals marginal revenue?
6. If average productivity falls, will marginal cost necessarily rise? How about average cost?

### PART C

ANSWER ANY TWO OUT OF FOUR

(2x15=30)

1. Why is it inappropriate to refer to a perfectly competitive firm as 'earning super normal profit in the long-run'?
2. Under what conditions will a firm operating in a perfectly competitive industry choose to leave the industry?
3. If machines were variable and labour fixed, how would the general shapes of the short run average cost curve and marginal cost curve change?
4. Discuss the concept of economies of scale and economies of scope. Give suitable examples