Q-1. Encircle the appropriate one. (1x12=12)
   i. Which of the following production possibility curves show increasing opportunity cost?

   ii. The Marginal Utility of the second unit of goods consumed is

   iii. At 100 Units of output Average Variable cost is

   iv. Which of the following statement about the relationship b/w MC and AC is correct?

   v. Which of the following is supply equation?

   vi. How NNP can be finding out?
vii. Which one of the following is AFC curve?

\[
\begin{align*}
\text{(A)} & \quad Y \quad \text{AFC} \\
\text{(B)} & \quad Y \quad \text{AFC} \\
\text{(C)} & \quad Y \quad \text{AFC} \\
\text{(D)} & \quad Y \quad \text{AFC}
\end{align*}
\]

viii. Which is the sufficient condition for a firm’s equilibrium?
(A) MR = MC          (B) slope of MC > slope of MR
(C) MC is Rising     (D) Both B and C

ix. If income elasticity of product A is negative than the good is called?
(A) Normal good       (B) Inferior good
(C) Complementary good (D) Substitute good

x. For increasing MRSxy the indifference curve should be
(A) Concave to the origin (B) Convex to the origin
(C) Positively sloped   (D) both B and C

xi. Which one of the following is a basic condition for the Monopolistic Competition?
(A) Homogenous product  (B) Product is similar but not identical
(C) Perfect substitute  (D) Entry is blocked

xii. The comparative advantage theory is given by
(A) Adam Smith         (B) J.M Keynes
(C) D. Ricardo         (D) Malthus

Q-2 Write short answers of the following: Your answer should not exceed three to four lines

(2x10=20)

i) Define production possibility curve?

ii) What is consumer equilibrium? Show it with the help of equation

iii) What is cross elasticity? Write down the formula to find out cross elasticity.

iv) What is market equilibrium? What is condition for market equilibrium?
v) Write down four determinants of supply

vi) How economics cost is different from accounting cost.

vii) What is monopolistic competition?

viii) Find income elasticity if

<table>
<thead>
<tr>
<th>Income</th>
<th>Qdx</th>
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<tbody>
<tr>
<td>5000</td>
<td>10</td>
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<tr>
<td>6000</td>
<td>12</td>
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</table>

ix) Fill in the blanks in the given Table.

<table>
<thead>
<tr>
<th>Output</th>
<th>TFC</th>
<th>TVC</th>
<th>TC</th>
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</thead>
<tbody>
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<td></td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
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<td>4</td>
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<td>145</td>
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</tbody>
</table>

dx) Find out price elasticity from the given demand equation if price is Rs.10 and Q=100-5p
Quaid-i-Azam University, Islamabad  
Economics (BC- 103)  
B.Com Part-I  

Section B  

Time allowed: 2 :20 Hrs  
Max Marks :68  

Note: Attempt any four questions. All questions carry equal marks. (17x4)  

Q-3 What is price elasticity? How Price Elasticity can be measured by?  
   I. Percentage method  
   II. Geometrical method  

Q-4 Explain consumer’s equilibrium thorough Cardinal Approach?  

Q-5 How long-Run Average Cost Curve can be derived with the help of short-run Cost Curves.  

Q-6 What is monopoly? How a monopolist firm achieves equilibrium in the short-run?  

Q-7 What is tax? What are the different principles of taxes?  

Q-8 TC= 2Q^3 – 5Q^2 + 35Q + 500  
   Then find  
   a) Find AC and AVC function  
   b) Find MC function  
   c) Find slope of MC and AC function  
   d) Find AC,MC if output is 10