

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA (AM) – SEMESTER –4 • EXAMINATION – WINTER - 2018**

**Subject Code: 4140503****Date: 06/12/2018****Subject Name: MICRO ECONOMICS****Time: 02:30 PM To 05:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1** (a) Differentiate between micro and macro economics. **07**  
(b) Discuss basic problems of economy. **07**
- Q.2** (a) Discuss circular flow of economy. **07**  
(b) Discuss price elasticity of demand and its type. **07**
- OR**
- (b) Discuss law of supply and factors affecting it. **07**
- Q.3** (a) Differentiate between accounting cost and economic cost. **07**  
(b) Discuss; total revenue, marginal revenue and average revenue. **07**
- OR**
- Q.3** (a) Discuss; fixed cost, variable cost, total cost, average cost and marginal cost with suitable example. **07**  
(b) Discuss long run average total cost curve with a suitable example. **07**
- Q.4** (a) Discuss economies of scale. **07**  
(b) Discuss a firm at equilibrium under perfect competition. **07**
- OR**
- Q.4** (a) Discuss a firm at loss under perfect competition. **07**  
(b) Discuss diseconomies of scale. **07**
- Q.5** (a) Discuss pricing scenario in India since liberalization in 1991 with special reference to four wheeler- passenger car industry. **07**  
(b) Discuss pricing scenario in Japan in comparison to India with a suitable example. **07**
- OR**
- Q.5** (a) Discuss pricing scenario in India since liberalization in 1991 with special reference to mobile service industry. **07**  
(b) Discuss pricing scenario in Sri Lanka in comparison to India with a suitable example. **07**

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