

College Name: _____

Seat No: _____ Student's Name: _____

Copy No: _____

KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION, JUNE 2017; AFFILIATED COLLEGES
MICRO ECONOMICS; BA(BS)-521
BBA – V

Date: July 8, 2017

Max Time: 90 Mins

Max Marks: 30

INSTRUCTIONS:

- 1. Attempt any 4 questions. Do not write anything on the question paper.**
- 2. Mobile phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

Q2 Isoquants and isocost lines enable economists to derive the cost minimizing level of production, but they cannot reveal whether economies of scale exist. Do you agree. Give argument(s) in favor of your answers.

Q3 Using the tools of indifference analysis and appropriate diagrams, how will a consumer respond to a fall in the price of a normal good? Would the outcome differ if we considered an inferior good?

Q4 The demand for labour schedule facing a firm operating in perfectly competitive product and labour markets is the same in both the short run and the long run.' Do you agree? Illustrate you answer with appropriate diagrams.

Q5 Use diagrams to derive the supply curve of a perfectly competitive industry in the short and long run.

Q6: Do consumers or producers always pay the increase in sales tax rate? What are the factor upon which the distribution of tax burden depends between consumers and producers? Discuss with the help of diagrams.

END OF SUBJECTIVE PAPER