



Tribhuvan University
Faculty of Humanities & Social Sciences
OFFICE OF THE DEAN
2024

Bachelor in Computer Applications
Course Title: Applied Economics
Code No: CACS 353
Semester: VI

Full Marks: 60
Pass Marks: 24
Time: 3 hours

Candidates are required to answer the questions in their own words as far as possible.

Group B

Attempt any SIX questions.

[6×5 = 30]

2. Briefly explain the goals of macroeconomics.
 3. Explain through a figure how a consumer is in equilibrium under the ordinal utility (indifference curve) analysis.
 4. With the help of the following information on output (Q), short-run total fixed cost (TFC), and short-run total variable cost (TVC), compute short-run (i) total cost (TC), (ii) average fixed cost (AFC), (iii) average variable cost (AVC), (iv) average cost (AC), and (v) marginal cost (MC):
- | | | | | | | |
|--------------|-----|-----|-----|-----|-----|-----|
| Q (in units) | 1 | 2 | 3 | 4 | 5 | 6 |
| TFC (Rs.) | 120 | 120 | 120 | 120 | 120 | 120 |
| TVC (Rs.) | 60 | 80 | 90 | 110 | 150 | 240 |
5. If the quantity supply of a commodity x (Q_x) rises from 400 units to 1200 units as its price (P_x) rises from Rs. 200 per unit to Rs. 400 per unit, then (i) compute the price elasticity of supply (e_s) and, (ii) interpret this result.
 6. Derive a short-run supply curve of a firm under the market of perfect competition.
 7. Briefly explain the concepts and types of balance of trade and balance of payment.
 8. Using the marginal cost-and-marginal revenue (MC-MR) approach and an appropriate figure, explain how the monopolist reaches a short-run equilibrium.

Group C

Attempt any TWO questions.

[2×10 = 20]

9. From the table given below, (i) compute the income elasticity of demand ($\epsilon_{Q,M}$) for a commodity x for the movement from points A to B, B to C, C to D, D to E, and E to F; and (ii) also state the natures of this commodity x based on the values and signs taken by this $\epsilon_{Q,M}$ at different levels of income.

Points	A	B	C	D	E	F
Income (M) (in Rs. per day)	2,000	4,000	6,000	8,000	10,000	12,000
The quantity demanded of a commodity x (in units per day)	200	600	900	1,100	1,100	900

10. Explain the concepts of following terms: (i) gross domestic product at market price (GDP_{MP}) and gross domestic product at factor cost (GDP_{FC}), (ii) net domestic product at market price (NDP_{MP}) and net domestic product at factor cost (NDP_{FC}), (iii) gross national product at market price (GNP_{MP}) and gross national product at factor cost (GNP_{FC}), (iv) net national product at market price (NNP_{MP}) and net national product at factor cost (NNP_{FC}), and (v) national income (NI).
11. With the help of the following table and this demand function for a commodity expressed in terms of price (P), $P = 10 - 2Q$, where Q = the quantity demanded of the commodity; P = price of the commodity or the average revenue (AR), (i) compute AR or P , total revenue (TR), and marginal revenue (MR) in this table, (ii) also draw the AR, TR, and MR curves through the data you computed in this table, and finally (iii) state, based on the natures of AR and MR curves, whether this market is related to perfect competition or imperfect competition.

Output (Q) (in units)	P or AR (in Rs.)	TR (in Rs.)	MR (in Rs.)
0
1
2
3
4

Note. Plot the MR values midway between two successive levels of output and then draw this MR curve.