

**Shivaji College**  
**BA Hons Business Economics 1<sup>st</sup> year**

**Test**

**Date: 28.11.2023**

*Ques1. What is elasticity of technical substitution of following production function*

$$Q = A \{ c K^{-b} + (1-c) L^{-b} \}$$

*10 marks*

*Where Q is output, L- labour, K- capital and a,b,c are constants.*

*Ques 2. Explain cross elasticity of demand. Also explain price consumption curve for different elasticities of demand* *10 marks*

*Ques 3. Explain income consumption curve when good X is normal good and good Y is inferior good.* *10 marks*

*Pamer.*