

Seat No. : _____

MS-108

December-2016

B.B.A., Sem.-I

CC-104 : Principles of Economics (Micro)

Time : 3 Hours]

[Max. Marks : 70

1. (a) Define micro economics. Discuss the scope and subject matter of micro economics. 7
- OR**
- Explain the scarcity oriented definition of economics in detail.
- (b) Explain the concept of production possibility curve with the help of diagram. 7
- OR**
- Explain the meaning and features of mixed economy.
2. (a) Explain the law of diminishing marginal utility in detail. 7
- OR**
- Discuss the expansion and contraction of demand with the help of diagram.
- (b) Write a note on consumer surplus. 7
- OR**
- Discuss the Determinants of Demand.
3. (a) How market price is determine with demand and supply ? Explain with the help of diagram. 7
- OR**
- Define Supply. Explain determinants of supply.
- (b) Explain the characteristics of perfect competition. 7
- OR**
- Explain the characteristics of oligopoly.
4. (a) Explain the marginal productivity theory of distribution. 7
- OR**
- Define Real wages. Explain the factors affecting on real wages.
- (b) Explain the concept of quasi-rent with diagram. 7
- OR**
- Explain the innovation theory of profit in detail.

5. Answer the following questions : Multiple Choice Questions :

- (1) The subject matter of economics discuss by Marshall is
 (a) Wealth (b) Scarcity
 (c) Welfare (d) Growth
- (2) The economist who first used the word micro and macro is
 (a) Keynes (b) Robbins
 (c) Friedman (d) Ragner Frisch
- (3) Co-existence of public and private ownership is the feature of _____.
 (a) Capitalist economy (b) Socialist economy
 (c) Mixed economy (d) Free economy
- (4) In economics, value means
 (a) Exchange value (b) Value in use
 (c) Monetary value (d) Moral value
- (5) Sunlight has
 (a) Exchange value (b) Value in use
 (c) Monetary value (d) Neither
- (6) In Economics demand means
 (a) Individual demand (b) Effective demand
 (c) Ineffective demand (d) Market demand
- (7) Marginal utility means
 (a) Utility of the first unit (b) Utility of the additional unit
 (c) Utility of the last unit (d) Neither
- (8) Expansion of supply is the result of
 (a) increase in the price of the commodity.
 (b) increase in the price of the other goods.
 (c) decrease in the number of producers.
 (d) neither.
- (9) Quasi-rent is
 (a) Short run phenomenon (b) Long run phenomenon
 (c) A permanent phenomenon (d) Both (b) and (c)
- (10) A Modern Theory of Rent is concerned with
 (a) Differential rent (b) Scarcity rent
 (c) Contractual rent (d) Both (a) and (b)
- (11) Oligopoly is derived from which language ?
 (a) English (b) Greek
 (c) French (d) Spanish
- (12) "Interest is a purely monetary phenomenon." Whose statement is this ?
 (a) Keynes (b) Knight
 (c) Seligman (d) Fisher
- (13) If money wages is constant, what would happen to real wages during inflation ?
 (a) Go up (b) Go down
 (c) Remain constant (d) Neither
- (14) Who has given the Risk bearing Theory of Profit ?
 (a) Schumpeter (b) Knight
 (c) Hawley (d) Clark