

Seat No. : \_\_\_\_\_

# DE-110

December-2018

B.B.A., Sem.-I

## 104 : Principles of Economics (Micro)

Time : 2:30 Hours]

[Max. Marks : 70

1. (a) Write the following :
- (i) Discuss the main points of Robbin's definition of economics. 7
  - (ii) Explain the features of free market economy. 7
- OR**
- (i) Write a note on production possibility curve.
  - (ii) Discuss the importance of Micro Economics.
- (b) MCQs : (any **four**) 4
- (1) Growth oriented definition of economics is given by \_\_\_\_\_.
    - (a) Samuelson
    - (b) Robbins
    - (c) Adam Smith  - (2) Free goods have only value in use. (True/False)
  - (3) Public ownership of resources is the feature of centrally planned economy. (True/False)
  - (4) In the market economy form of an economy the government follows "Laissez Fair Policy". (True/False)
  - (5) Mixed economy blending of market economy and centrally planned economy. (True/False)
  - (6) In the modern period price is expressed in terms of \_\_\_\_\_.
    - (a) Good
    - (b) Money
    - (c) Another commodity
2. (a) Write the following :
- (i) Explain factors determining demand for a commodity. 7
  - (ii) State and explain the law of demand. 7
- OR**
- (i) Explain the law of diminishing marginal utility.
  - (ii) Explain the concept of consumer surplus.
- (b) MCQs : (any **four**) 4
- (1) Utility derived from the last unit of consumption is called marginal utility. (True/False)
  - (2) The concept of utility is absolute. (True/False)



- (3) When more is demanded at the same price it is called \_\_\_\_\_.  
 (a) Extension (b) Increase (c) Decrease
- (4) Giffen Goods are exceptions to the Law of Demand. (True/False)
- (5) Normal demand curve slopes \_\_\_\_\_.  
 (a) downward (b) upward (c) vertical
- (6) When income rises demand will \_\_\_\_\_.  
 (a) increase (b) fall (c) remain same

3. (a) Write the following :

- (i) State and explain the law of supply. 7  
 (ii) Discuss the features of perfect competition. 7

**OR**

- (i) What is monopoly ? What are its features ?  
 (ii) What does change in supply mean ? Explain with diagram.

(b) MCQs : (any **three**) **3**

- (1) Stock determines the potential supply. (True/False)  
 (2) Normal supply curve slopes upward. (True/False)  
 (3) Selling cost is required in monopoly. (True/False)  
 (4) In oligopoly number of sellers are \_\_\_\_\_.  
 (a) large (b) two (c) few  
 (5) Kinky demand is found in \_\_\_\_\_ market.  
 (a) oligopoly (b) monopoly (c) duopoly

4. (a) Write the following :

- (i) Explain marginal productivity theory of distribution. 7  
 (ii) Write a note on Quasi Rent. 7

**OR**

- (i) Differentiate between gross interest and net interest.  
 (ii) Discuss the factors affecting real wages.

(b) MCQs : (any **three**) **3**

- (1) Real wage depends upon money wages. (True/False)  
 (2) Reward of factor depend upon its \_\_\_\_\_ productivity.  
 (a) Marginal (b) Average (c) Total  
 (3) Reward paid to capital is \_\_\_\_\_.  
 (a) Interest (b) Profit (c) Rent  
 (4) Profit is a \_\_\_\_\_.  
 (a) Uncertain income (b) Fixed income (c) Certain income  
 (5) Profit motivates to \_\_\_\_\_.  
 (a) Government (b) Consumer (c) An entrepreneur