

Seat No. : _____

N35-102

December-2014

B.B.A., Sem.-I

CC-104 : Principles of Economics (Micro)

Time : 3 Hours]

[Max. Marks : 70

Instructions : (1) Right side figures indicate marks.
(2) Draw diagram wherever it necessary.

1. (A) Define Micro Economics. Discuss the importance of Micro Economics. 7
OR
Explain the growth oriented definition of economics.
- (B) Discuss the criticism of scarcity oriented definition of economics. 7
OR
Write a note on production possibility curve.
2. (A) Explain the determinants of demand. 7
OR
Discuss the law of diminishing marginal utility.
- (B) Distinguish between change in demand and shift in demand. 7
OR
Write a note on consumer's surplus.
3. (A) Explain the law of supply. 7
OR
Discuss the characteristics of perfect competition.
- (B) Describe the features of monopoly. 7
OR
Explain how price is determined by demand and supply in a free market.
4. (A) Write a note on quasi-rent. 7
OR
Discuss the factors affecting real wages.
- (B) Differentiate between gross interest and net interest. 7
OR
Explain innovation theory of profits.

5. Multiple Choice Questions :

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- (1) Who is the father of Economics ?
(a) Ricardo (b) Robbins (c) Adam Smith
- (2) In recent period price is expressed in terms of _____
(a) Dollar (b) Money (c) Goods & Services
- (3) Production possibility curve shows combinations of _____ commodities.
(a) Three (b) One
(c) Two (d) Zero
- (4) Economic problem arises due to _____ of resources.
(a) Scarcity (b) Unlimited (c) Few
- (5) In which form of an economy the government follows "Laissez faire" policy ?
(a) market economy (b) planned economy (c) mixed economy
- (6) There is _____ relationship between price and demand.
(a) Direct (b) Positive (c) Inverse
- (7) When total utility is maximum, marginal utility is _____.
(a) negative (b) zero (c) minimum
- (8) When price rises there is _____ in supply.
(a) Increase (b) Expansion
(c) Decrease (d) Contraction
- (9) Selling cost is a feature of _____.
(a) Monopoly (b) Perfect competition
(c) Monopolistic competition
- (10) In oligopoly demand curve is _____.
(a) Vertical (b) Kinky (c) Horizontal
- (11) Reward of factor depend upon its _____ productivity.
(a) Marginal (b) Total (c) Average
- (12) Profit is a reward of _____.
(a) labour (b) entrepreneur (c) capital
- (13) Interest is a contractual income. (True / False)
- (14) Consumer Surplus = The price the consumer is willing to pay – The price which he actually pays. (True / False)