

Seat No. : 1350

**DN-110**

**December-2017**

**B.B.A., Sem.-I**

**CC-104 : Principles of Economics (Micro)**

**Time : 3 Hours]**

**[Max. Marks : 70**

1. (A) Explain the Robbin's definition of Economics in detail. 7

**OR**

What is Micro Economics ? Discuss the limitations of it.

(B) Explain the concept of production possibility with the help of diagram. 7

**OR**

Explain the meaning and features of planned economy.

2. (A) Explain the Law of Diminishing Marginal Utility. 7

**OR**

Discuss the increase and decrease of demand with help of diagram.

(B) Write a note on consumer surplus. 7

**OR**

Explain the law of demand in detail.

3. (A) Explain the increase and decrease of supply. 7

**OR**

Discuss the characteristics of Perfect Competition.

(B) Define Monopoly. Explain the features of Monopoly.

7

OR

How market price is determined with demand and supply ? Explain with the diagram.

4. (A) Explain the marginal productivity theory of distribution.

OR

Define Real wages. Discuss the factors affecting real wages.

(B) Write a short note on Quasi – rent.

7

OR

Define Interest. What are the constituents of gross interest ?

5. Answer the following questions :

14

(1) The subject matter of economics discussed by Samuelson is

- |             |              |
|-------------|--------------|
| (a) Wealth  | (b) Scarcity |
| (c) Welfare | (d) Growth   |

(2) The term 'macro' is derived from

- |                 |                  |
|-----------------|------------------|
| (a) French word | (b) Greek word   |
| (c) German word | (d) English word |

(3) Air is the example of \_\_\_\_\_ good.

- |                  |             |
|------------------|-------------|
| (a) economic     | (b) free    |
| (c) non-economic | (d) neither |

(4) Capitalist economy is known as

- |                         |                      |
|-------------------------|----------------------|
| (a) Free market economy | (b) Planned economy  |
| (c) Socialist economy   | (d) Both (a) and (b) |

- (5) Private property is the most important feature of
- (a) Planned Economy (b) Mixed Economy  
(c) Capitalist Economy (d) Socialist Economy
- (6) Expansion of demand is the result of
- (a) Increase in the price of other goods  
(b) Increase in the price of the goods  
(c) Decrease in the price of the commodity  
(d) Neither
- (7) What is the shape of MU curve ?
- (a) Negative (b) Parallel to x-axis  
(c) Parallel to y-axis (d) Positive
- (8) The law of diminishing utility applies to
- (a) Production (b) Population  
(c) Supply (d) Consumption
- (9) Contraction of supply is the result of
- (a) Increase in the price of the commodity.  
(b) Decrease in the price of the commodity.  
(c) Decrease in the price of the other commodity.  
(d) Neither
- (10) Quasi Rent is
- (a) Short run phenomenon (b) A permanent phenomenon  
(c) Long run phenomenon (d) Both (b) and (c)
- (11) Classical theory of rent is concerned with
- (a) Scarcity rent (b) Contractual rent  
(c) Differential rent (d) Neither
- (12) Who has given the innovation theory of profit ?
- (a) Hawley (b) Clark  
(c) Schumpeter (d) Knight

(13) In oligopoly demand curve is

- (a) Indeterminate
- (c) Positive

- (b) Determinate
- (d) Horizontal

(14) "Interest is the reward for parting with liquidity." Whose statement is this ?

- (a) Seligman
- (c) Keynes

- (b) Meyers
- (d) Fisher

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