

Seat No. : 129

NE-102

November-2019

BBA, Sem.-I

104 : Principles of Economics (Micro)

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Time : 2:30 Hours]

[Max. Marks : 70

1. (A) Write the following :

(1) Critically discuss scarcity oriented definition of economics. 7

(2) Define micro economics. Discuss the limitations of it. 7

OR

(1) Explain the meaning and features of mixed economy.

(2) Explain production possibility curve with diagram.

(B) MCQs : (any four) 4

(1) According to whom "Economics is neutral between ends" ?

(a) Robbins

(b) Pigou

(c) Marshall

(2) In free market economy, resource allocation is determined by planning commission. (True / False)

(3) All activities of men at income earning and spending are known as _____ activities.

(a) Economic

(b) Social

(c) Religious

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(4) Factor pricing is one of the scope of micro economics. (True / False)

(5) Free good's opportunity cost is _____.

(a) one (b) two

(c) zero

(6) Private ownership of factors of production is a characteristic of _____ economy.

(a) planned

(b) free market

(c) mixed

2. (A) Write the following :

(1) Explain the law of demand with demand curve and demand schedule. 7

(2) Write a note on exceptions to the law of demand. 7

OR

(1) Write a note on consumer's surplus.

(2) Explain with diagram the law of diminishing marginal utility.

(B) MCQs. (any four) 4

(1) People will purchase more at current price if they expect price to fall. (True / False)

(2) Giffen goods are luxury goods. (True / False)

(3) Extension & contraction of demand is because of change in the _____ of product.

(a) quantity (b) price

(c) advertisement

(4) Utility implies _____ satisfaction.

(a) realised (b) expected

(c) negative

(5) When MU is zero, TU is also zero. (True / False)

(6) There is inverse relationship between price and demand. (True / False)

3. (A) Write the following :

- (1) Explain extension – contraction of supply and increase – decrease in supply. 7
- (2) Discuss the law of supply with diagram. 7

OR

- (1) Discuss the characteristics of monopoly.
- (2) Discuss the features of oligopoly.

(B) MCQs. (any three)

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- (1) Supply curve slopes upward from left to right. (True / False)
- (2) Single seller is a feature of oligopoly market. (True / False)
- (3) With the fall in production costs, supply tends to increase. (True / False)
- (4) According to law of supply the relationship between price & supply is direct. (True / False)
- (5) Which market contains the elements of competition & monopoly both ?
- (a) Monopolistic competition
- (b) Monopoly
- (c) Oligopoly

4. (A) Write the following :

- (1) Differentiate between pure rent and quasi rent. 7
- (2) Discuss the innovation theory of profits. 7

OR

- (1) Differentiate between money wages and real wages. Discuss the factors affecting real wages.
- (2) Explain marginal productivity theory of distribution.

