

B.B.A. (Part-I) Semester—II Examination
PRINCIPLES OF ECONOMICS
Paper—BBA/202

Time : Three Hours]

[Maximum Marks : 80

Note :—(1) All questions are compulsory.

(2) Draw the suitable diagram if necessary.

(3) Write only single option for M.C.Q. questions. If examinee has to correct the option, cancel first option and write another option ahead of it.

SECTION—A

1. Write the answer of the following questions by choosing the correct option given below.

(i) Definition of Marshall is related to :

- (a) scarcity (b) welfare
(c) wantlessness (d) wealth

(ii) The study of individuals and firms does :

- (a) Micro Economics (b) Macro Economics
(c) Agriculture Economics (d) Welfare Economics

(iii) Economic Laws are _____.

- (a) Social Laws (b) Scientific Laws
(c) Research Laws (d) None of these

(iv) Basic problems of economy are _____.

- (a) How to produce (b) What to produce
(c) How much to produce (d) All of these

(v) Utility means _____.

- (a) Quantity of commodity (b) No Utility
(c) Quality of commodity to satisfy consumer (d) None of these

(vi) Change in demand operates by :

- (a) price (b) other things
(c) price and other things (d) none of these

(vii) Indifference curve indicates the _____.

- (a) different satisfaction (b) equal satisfaction
(c) unequal satisfaction (d) no satisfaction

(viii) Elasticity of demand _____.

- (a) $\frac{\Delta P}{\Delta d}$ (b) $\frac{\Delta C}{\Delta d}$
(c) $\frac{\Delta N}{\Delta M}$ (d) $\frac{\Delta d}{\Delta P}$

- (ix) Opportunity cost is applied to _____.
- (a) land (b) labour
(c) capital (d) all of these
- (x) The nature of the cost curve in long run _____.
- (a) incremental (b) fall
(c) constant (d) cost less
- (xi) When marginal revenue increases then total revenue _____.
- (a) decline (b) increase
(c) no change (d) all of these
- (xii) The slope of supply curve have :
- (a) positive (b) negative
(c) no slope (d) parallel
- (xiii) _____ is the gift of nature.
- (a) capital (b) land
(c) labour (d) all of these
- (xiv) ISO-quants are _____ to origin point.
- (a) convex (b) concave
(c) parallel (d) none of these
- (xv) The causes of external diseconomies :
- (a) Increase in price of machine (b) Increase in cost of labour
(c) Increase in rate of interest (d) All of these
- (xvi) Price of product in perfect competition :
- (a) differentiate (b) no price
(c) equal (d) none of these
- (xvii) Formula to calculate profit :
- (a) Revenue – Cost (b) Revenue – No cost
(c) Revenue – Loss (d) Loss – Revenue
- (xviii) Liquidity preference theory of interest is introduced by :
- (a) Prof. Keynes (b) Prof. Marshall
(c) Prof. Hicks (d) Prof. Robbins
- (xix) Rent is associated with _____.
- (a) Capital (b) Land
(c) Labour (d) None of these
- (xx) Real wages always more than money wages :
- (a) false (b) true
(c) (a) and (b) (d) none of these

20×1=20

SECTION—B

2. Write the answer of the following questions in short :

(i) (a) Write the characteristics of the definition of Economics given by Prof. Robbins. 4

OR

(b) State the importance of laws of economics. 4

(ii) (a) Define and explain the utility. 4

OR

(b) Explain the concept of indifference curve. 4

(iii) (a) State the various types of costs. 4

OR

(b) Explain the nature of cost curve in short run. 4

(iv) (a) Write the characteristics of land. 4

OR

(b) State the internal economies. 4

(v) (a) Explain the concept of Quasi-rent. 4

OR

(b) What do you mean by profit ? Write on elements of gross profit. 4

SECTION—C

3. Write the answer of the following questions in detail :

(i) (a) What are the basic problems of Indian Economy ? Discuss. 8

OR

(b) Write the characteristics and criticisms of Marshall's definition. 8

(ii) (a) Explain the Law of demand with suitable example and diagram. 8

OR

(b) Discuss the determinants and importance of elasticity of demand. 8

(iii) (a) Explain Total revenue, Average revenue and Marginal revenue with example. 8

OR

(b) Explain the nature of cost curve in long run with the help of diagram. 8

(iv) (a) State the meaning of ISO-Quant and its characteristics with diagrams. 8

OR

(b) Write the types of markets on the basis of competition and period. 8

(v) (a) Explain Ricardian theory of rent with the help of example and diagram. 8

OR

(b) Explain the liquidity theory of interest. 8

