

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

Time : Three Hours]

[Maximum Marks : 80

**Note :—** (1) All questions are compulsory.

(2) Draw the diagram wherever necessary.

(3) Write only single option for MCQ question. If examinee has to correct the answer, cancel first option and write another option ahead of it.

**SECTION—A**

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

(i) \_\_\_\_\_ is known as father of Economics.

(a) Adam Smith

(b) Marshall

(c) Robbins

(d) J.K. Mehta

(ii) Nature of micro economics is \_\_\_\_\_.

(a) Firm analysis

(b) Profit analysis

(c) Cost analysis

(d) All of these

(iii) Obey of Economic Laws is \_\_\_\_\_.

(a) Not bounded

(b) Bounded

(c) (a) and (b)

(d) None of these

(iv) Basic problems of Indian Economy are :

(a) Production related

(b) Distribution related

(c) Consumption related

(d) All of these

(v) When marginal utility is zero then total utility would be \_\_\_\_\_.

(a) Minimum

(b) Maximum

(c) Zero

(d) Constant

(vi) Nature of demand curve is \_\_\_\_\_.

(a) Positive

(b) Upwards

(c) Negative

(d) None of these

(vii) Limit of elasticity of demand is \_\_\_\_\_.

(a) Zero

(b) One

(c) Zero to one

(d) More

(viii) \_\_\_\_\_ are the characteristics of indifference curve.

(a) Convex to original point

(b) Never touch to any axis

(c) Show the equal satisfaction

(d) All of these

(ix) Marginal revenue curve is left side to the average revenue curve \_\_\_\_\_.

(a) False

(b) True

(c) (a) and (b)

(d) None of these

- (x) Nature of supply curve is :
- (a) Positive (b) Negative  
(c) (a) and (b) (d) None of these
- (xi) Money cost is always \_\_\_\_\_ than real cost.
- (a) More (b) Less  
(c) Equal (d) Zero
- (xii) When price increases, supply \_\_\_\_\_.
- (a) Constant (b) Decreases  
(c) Increases (d) None of these
- (xiii) Economies means \_\_\_\_\_.  
(a) Profit (b) Losses  
(c) Profit and gains (d) Profit, gains and savings
- (xiv) According to law of variable proportion which stage is rational ?
- (a) First (b) Second  
(c) Third (d) None of these
- (xv) \_\_\_\_\_ is a living factor of production.
- (a) Land (b) Capital  
(c) Labour (d) Labour and entrepreneur
- (xvi) Price discrimination is a characteristic of \_\_\_\_\_.
- (a) Perfect Competition (b) Monopoly  
(c) Monopolistic Competition (d) Oligopoly
- (xvii) Quasi rent is \_\_\_\_\_.
- (a) Total revenue of a factor  
(b) More than total revenue of a factor  
(c) Less than total revenue of a factor  
(d) Surplus of total revenue over total cost
- (xviii) Total supply of loanable funds depends \_\_\_\_\_.
- (a) Savings  
(b) Savings and bank credit  
(c) Savings and investment  
(d) Savings, bank credit, dis-savings and disinvestment
- (xix) According to modern rent theory, if rent may arise to \_\_\_\_\_.
- (a) Labour (b) Land  
(c) Capital (d) All the factors of production
- (xx) Who introduced the innovation theory of profit ?
- (a) Knight (b) Marshall  
(c) Schumpeter (d) Clark

## SECTION—B

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

- (i) (A) Define and explain the definition of Amartya Sen. 4

**OR**

- (B) Write the limitations of macro economics. 4

- (ii) (A) Write the difference between decrease in demand and contraction in demand. 4

**OR**

- (B) Explain the total outlay method of measurement of elasticity. 4

- (iii) (A) Define cost and explain it. 4

**OR**

- (B) Explain nature of cost curve in shortrun. 4

- (iv) (A) State the internal diseconomies. 4

**OR**

- (B) Write the definition of ISO-Quantz and explain it. 4

- (v) (A) "Quasi-rent is the surplus income over to normal income." Explain in brief. 4

**OR**

- (B) State the liquidity preference motives. 4

## SECTION—C

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

- (i) (A) Discuss the characteristics and importance of Economic Laws. 8

**OR**

- (B) Write meaning, scope and limitations of Micro Economics. 8

- (ii) (A) Explain diminishing marginal utility theory with suitable example with diagram. 8

**OR**

- (B) Define indifference curve and its characteristics with diagram. 8

- (iii) (A) Explain Law of supply with suitable diagram and example. 8

**OR**

- (B) What do you mean by cost ? Explain various types of cost. 8

- (iv) (A) Explain Law of variable proportion with diagram. 8

**OR**

- (B) State the various types of market on the basis of competition, area and period. 8

- (v) (A) Explain the time preference theory of interest. 8

**OR**

- (B) Explain the modern theory of rent. 8

