

AU-1532

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 **M.C.Q.** questions. If examinee has to correct the answer, cancel first option and write another option ahead it.

SECTION—A

1. Write the answer of the following questions by choosing the correct options given below :
- (i) Definition of Economics of Prof. J.K. Mehta is related to :
 - (a) Welfare
 - (b) Scarcity
 - (c) Wantlessness
 - (d) None of these
 - (ii) The study of aggregates and averages does :
 - (a) Micro Economics
 - (b) Macro Economics
 - (c) Agriculture Economics
 - (d) Welfare Economics
 - (iii) The Law of Economics are :
 - (a) More truthful than Law of Sciences
 - (b) More truthful than Law of Space
 - (c) More truthful than Law of other Social Sciences but less truthful than Law of Sciences
 - (d) None of these
 - (iv) The Indian Economy has :
 - (a) No problems
 - (b) Problems
 - (c) (a) & (b)
 - (d) None of these
 - (v) Demand involves :
 - (a) Effective desire
 - (b) Backing of purchasing power
 - (c) Sacrifice of purchasing
 - (d) All of these

- (vi) Change in demand is caused by :
- (a) Price (b) Other things
(c) Price and other things (d) None of these
- (vii) Price change by 20% and demand changed by 15% then EP :
- (a) < 1 (b) > 1
(c) $= 1$ (d) $= 0$
- (viii) The concept of indifference curve is introduced by :
- (a) Marshall (b) Allen-Hicks
(c) Samuelson (d) Adam-Smith
- (ix) The motivation of supply is :
- (a) Profit (b) Price
(c) Satisfaction of producer (d) None of these
- (x) Technical Economies means :
- (a) Specialisation and division of labour (b) Change in technical co-efficient
(c) New Technology (d) All of these
- (xi) Production is related to :
- (a) Input-Output (b) Price
(c) Profit (d) None of these
- (xii) When marginal revenue falls then total revenue :
- (a) Increases (b) Declines
(c) No change (d) All of these
- (xiii) _____ is a man-made factor of production.
- (a) Capital (b) Labour
(c) Entrepreneur (d) All of these
- (xiv) Entry to new firms in monopoly market is :
- (a) Impossible (b) Possible
(c) Easy (d) None of these
- (xv) In the first stage of Law of Variable Proportion :
- (a) Total production and average production increase but marginal production falls
(b) Total production and marginal production increase but average production falls
(c) Marginal production increases but total and average production falls
(d) Total production, average production and marginal production increase

- (xvi) Diseconomies means :
- (a) Gain (b) Profit
(c) Losses (d) None of these
- (xvii) Liquidity trap is related to :
- (a) Time preference theory of interest (b) Liquidity preference theory of interest
(c) Loanable funds theory of interest (d) All of these
- (xviii) How is the profit by nature ?
- (a) Permanent (b) Temporary
(c) Fix (d) Equal
- (xix) Who introduced the concept of Quasi-Rent ?
- (a) Ricardo (b) Adam Smith
(c) Hicks (d) Marshall
- (xx) Marginal Land is also known as :
- (a) No Rent Land (b) Excess Rent Land
(c) Normal Rent Land (d) All of these

1×20=20

SECTION—B

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

- (i) (a) Define and explain Economics as defined by Adam Smith. 4
- OR**
- (b) Write advantages of Macro Economics. 4
- (ii) (a) State the difference between increase in demand and extension of demand. 4
- OR**
- (b) Explain Cross Elasticity of demand. 4
- (iii) (a) What do you mean by Revenue Curve ? 4
- OR**
- (b) Explain Total Cost, Average Cost and Marginal Cost. 4
- (iv) (a) Write the characteristics of Labour. 4
- OR**
- (b) State external economies. 4
- (v) (a) Write the components of gross interest. 4
- OR**
- (b) State the various types of Wages. 4

SECTION—C

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

(i) (a) Write the characteristics and criticisms of Robbin's definition. 8

OR

(b) Explain the importance and limitations of Micro-Economics. 8

(ii) (a) Explain total out-lay and geometric method of measurement of elasticity of demand. 8

OR

(b) Explain the concept of indifference curve and its characteristics. 8

(iii) (a) Explain the law of demand with example and diagram. 8

OR

(b) Explain the marginal revenue, average revenue and total revenue with example. 8

(iv) (a) Write the internal economies and internal diseconomies. 8

OR

(b) What do you mean by Capital ? Explain its role in production. 8

(v) (a) Explain the loanable funds theory of interest. 8

OR

(b) Explain the innovation theory of profit. 8