

**B.B.A. (Part—I) Examination**  
**PRINCIPLES OF ECONOMICS**

Time : Three Hours]

[Maximum Marks : 80

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

(2) All questions carry equal marks.

(3) Give the diagrams wherever necessary.

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|----|---|---|
| 1. | (a) Explain the merits of Micro Economics.                          | 4 |
|    | (b) Explain the characteristics of Marshall's Economics definition. | 4 |
|    | (c) Explain the kinds of Price Elasticity of Demand.                | 4 |
|    | (d) Explain the limitations of "Law of Demand".                     | 4 |

**OR**

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|----|---|---|
|    | (e) Explain the assumptions of Economic Laws.                   | 4 |
|    | (f) Explain the characteristics of Indifference Curve.          | 4 |
|    | (g) Explain the definition of Economics given by Prof. Robbins. | 4 |
|    | (h) Explain the kinds of Utility.                               | 4 |
| 2. | (a) What do you mean by Production Factors ?                    | 4 |
|    | (b) Explain the concept of Average and Marginal Production.     | 4 |
|    | (c) Explain the concept of Iso-quants.                          | 4 |
|    | (d) State the Internal Economies.                               | 4 |

**OR**

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|--|---|---|
|  | (e) Explain third stage of Law of Variable Portion. | 4 |
|  | (f) Explain the Long-run Cost Curves.               | 4 |
|  | (g) What is "Expansion Path" ?                      | 4 |
|  | (h) State the External Diseconomies.                | 4 |

3. (a) Explain the price determination under Monopolistic Competition with suitable example and diagram. 16

**OR**

- (b) Explain the meaning, characteristics and price determination in perfect competition. 16

4. (a) Explain the primary functions of Money. 4  
(b) Explain the characteristics of Paper Money. 4  
(c) Explain the assumptions of Fisher's Quantity Theory of Money. 4  
(d) Explain the causes of Deflation. 4

**OR**

- (e) Explain the importance of Money. 4  
(f) Explain the types of Money. 4  
(g) Explain the process of Credit Creation. 4  
(h) Explain the effects of Inflation. 4
5. (a) Explain the concept and types of Finance. 16

**OR**

- (b) Explain the meaning and functions of Commercial Bank. 16