Seat No. : \_\_\_\_\_

# **DG-103**

### December-2013

## F.Y. (BBA) Sem.-I

# CC – 104 : Principles of Economics (Micro)

Time: 3 Hours] [Ma			x. Marks : 70	
(2) All $c$		(2) All questions are compulsory.		
1.	(A)	Write a note on Microeconomics.	7	
	(B)	Give meaning of mixed economy and explain features of it.	7	
		OR		
	(A)	State the modern definition of Economics. Bring out of the main points it lays down in contract to Robbins' views.		
	(B)	Differentiate : (1) Value & Price (2) Free market economy and planned economy.		
2.	(A)	What is demand ? Explain factors affecting demand.	7	
	(B)		7	
		OR		
	(A)	Distinguish between change in demand and shift in demand. Discuss factors which cause shifts in demand.		
	(B)	Explain why marginal utility diminishes with increase in consumption.		
3.	(A)	Describe law of supply in detail with diagram.	7	
	(B)	Explain meaning and characteristics of monopolistic competition. OR	7	
	(A)	Explain with diagram the effects of change in demand and supply on equilibrium price.		
	(B)	Distinguish between perfect competition and monopoly.		
4.	(A)	Discuss marginal productivity theory of distribution.	7	
	(B)	What is real wage ? Explain factors affecting real wage. OR	7	
	(A)	Explain innovation theory of profit.		
	(B)	Examine concept of differential rent and scarcity rent.		

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- (a)
- (d) Chamberlin (c)
- (14) Modern theory of rent is concerned with
  - differential rent (b) (a)
  - contractual rent (c)

- ineffective demand What does the rightward shift of demand curve imply? Increase in demand
- (c) Expansion of demand
- Marginal utility means (6)
  - (a) utility of first unit
  - utility of last unit (c)
- (7) An increase in supply of a commodity is caused by
  - improvement in technology (a) (b)
  - (c) rise in price of related goods (d)
- Which of the following is not a condition of perfect competition? (8)
  - (a) Large (unlimited) numbers of buyers & sellers
  - Homogeneous product (b)
  - Free entry (c)
  - (d) Selling cost
- (9) According to law of supply, relationship between price and supply is
  - inverse
  - (c) uncertain (d) negative
- (10) Quasi rent is

(a)

- (a) a long run phenomenon
- a short run phenomenon (c)
- (b) a permanent phenomenon an imaginary phenomenon (d)

maximum utility

(11) If money wage is constant, what would happen to real wage during inflation?

(b)

(d)

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- (a) Go up
- Remain constant (d) (c)
- (12) A rational consumer aims at
  - (a) maximum quantity
  - maximum income (c)
- (13) Marginal productivity theory was first propounded by
  - Marshall (b) Keynes
  - Ricardo

(d) Voting system Value in use (b)

(b)

- (d) Moral value
- effective demand (b)
- (d) producer's demand
- - (b) Decrease in demand
  - (d) Contraction of demand
  - (b) utility of additional unit

fall in its price

neither

(d) neither

5. Write answer in **one** line :

(a)

(c)

(c)

(a)

(c)

(a)

(c)

(a)

(2)

(3)

(4)

(5)

Robbins

(a) Planning Commission

Price mechanism

In economics, value means

Exchange value

In economics demand means

individual demand

Monetary

- (1)
  - Who believe that economics is a science of scarcity?
    - Adam Smith Marshall (b)
  - (d) Samuelson In the free market economy, resource allocation is determined by

Profitability of investment

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- scarcity rent
- (d) neither

- (b) maximum welfare
- (b) Go down Uncertain

direct