

Seat No. : _____

NQ-104

December-2015

LL.B. (Int.) (BA, BBA, B.Com), Sem.-I

IL BBA-104 : Principles of Economics (Micro)

Time : 3 Hours]

[Max. Marks : 70

Instructions : (1) Figures at the right side of the paper indicate marks.

(2) Draw diagram wherever it is necessary.

1. (a) Briefly discuss the wealth oriented definition of economics. 7
OR
Discuss the scope of microeconomics.
- (b) Write note on free market economy. 7
OR
Describe human wants along with the classification of human wants.
2. (a) What is demand ? Discuss the factors affecting demand. 7
OR
Write short note on concept of consumer surplus.
- (b) Differentiate between increase in demand and expansion in demand. 7
OR
What is utility ? Discuss the law of diminishing marginal utility.
3. (a) What is Monopoly ? What are the characteristics of Monopoly ? 7
OR
Differentiate between Monopoly and Monopolistic competitive market.
- (b) Discuss different forms of price leadership. 7
OR
What are the main features of oligopoly market ?
4. (a) Differentiate between functional distribution and personal distribution. 7
OR
Write note on Marginal Productivity Theory of Distribution.
- (b) What is the difference between gross interest and net interest ? 7
OR
What are the factors determining real wages ?

5. Rewrite the sentence in your answer script by choosing correct option from the given multiple choices : (any 7)

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- (1) Who believes economics as science of scarcity ?
(a) Adam Smith (b) Robbins
(c) Marshall (d) Samuelson
- (2) Demand in economic means
(a) Individual demand (b) Effective demand
(c) Ineffective demand (d) Producers' demand
- (3) In command economy, resources are allocated by
(a) Government (b) Market
(c) Both (d) None
- (4) What does rightward shift in demand means ?
(a) Increase in demand (b) Decrease in demand
(c) Contraction in demand (d) Expansion in demand
- (5) Kinked demand curve is feature of which market ?
(a) Perfect competition (b) Duopoly
(c) Monopoly (d) Monopolistic competition
- (6) Which of this is not the condition of perfect competition ?
(a) Large number of buyers (b) Selling cost
(c) Free entry (d) Homogeneous products
- (7) There is no difference between firm and industry in
(a) Perfect competition (b) Monopoly
(c) Oligopoly (d) Duopoly
- (8) In which market the number of sellers are too much ?
(a) Duopoly (b) Oligopoly
(c) Monopolistic competition (d) Monopoly
- (9) When MU is zero, TU is
(a) Minimum (b) Maximum
(c) Zero (d) Negative
- (10) Product differentiation is not the feature of market
(a) Oligopoly (b) Duopoly
(c) Perfect competition (d) Monopolistic competition
- (11) Example of uninsurable risk is
(a) Accident (b) Fire
(c) Theft (d) Fashion
- (12) As compare to money wage, real wage is _____ concept.
(a) narrow (b) broad
(c) short (d) None of the above
- (13) If money wages are constant what happens to real wages during inflation
(a) Increases (b) Decreases
(c) Remain constant (d) Cannot be determined
- (14) In economics, rational consumer is one who aims at :
(a) Maximum profit (b) Maximum satisfaction
(c) Maximum income (d) Maximum revenue

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Instructions : (1) Figures at the right side of the paper indicate marks.
(2) Draw diagram wherever it is necessary.

1. (a) Briefly discuss the scarcity oriented definition of economics. 7
OR
Discuss the importance of microeconomics.
(b) Describe human wants along with the characteristics. 7
OR
Differentiate between free market economy and planned economy.
2. (a) What is demand ? Discuss the determinants of demand. 7
OR
Examine the law of diminishing marginal utility.
(b) What is consumer surplus ? 7
OR
Explain the concept of shift in demand curve.
3. (a) What is perfect competitive market ? What are the characteristics of perfectly competitive market ? 7
OR
What is the difference between perfect competition and monopoly ?
(b) Discuss the law of supply along with factors affecting supply. 7
OR
Write note on oligopoly market along with suitable example.
4. (a) Differentiate between gross interest and net interest. 7
OR
Differentiate between nominal wages and real wages.
(b) What is rent ? Explain the concepts of differential rent and scarcity rent. 7
OR
Briefly discuss the Uncertainty Bearing Theory of Profit.

5. Rewrite the sentence in your answer script by choosing correct option from the given multiple choices. (any 7)

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- (1) India adopted mixed economic system in
 - (a) 1947
 - (b) 1951
 - (c) 1948
 - (d) 1991
- (2) Demand in economic means
 - (a) Individual demand
 - (b) Effective demand
 - (c) Ineffective demand
 - (d) Producer's demand
- (3) In free market economy, resources are allocated by
 - (a) Planning Commission
 - (b) Market
 - (c) Government
 - (d) Consumer
- (4) What does rightward shift in demand means ?
 - (a) Increase in demand
 - (b) Decrease in demand
 - (c) Contraction in demand
 - (d) Expansion in demand
- (5) In economics value means
 - (a) Value in use
 - (b) Value in exchange
 - (c) Moral value
 - (d) Value judgement
- (6) Which of this is not the condition of perfect competition ?
 - (a) Large number of buyers
 - (b) Selling cost
 - (c) Free entry
 - (d) Homogeneous products
- (7) Modern theory of rent is concerned with
 - (a) Differential rent
 - (b) Contractual rent
 - (c) Scarcity rent
 - (d) Neither of this
- (8) According to law of supply, the relationship between price and supply is
 - (a) Inverse
 - (b) Direct
 - (c) Negative
 - (d) Uncertain
- (9) When MU is zero, TU is
 - (a) Minimum
 - (b) Maximum
 - (c) Zero
 - (d) Negative
- (10) Equilibrium price refers to price
 - (a) Market clear itself
 - (b) Market with shortage
 - (c) Market with surplus
 - (d) All of above
- (11) Example of uninsurable risk is
 - (a) Accident
 - (b) Fire
 - (c) Theft
 - (d) Fashion
- (12) As compare to money wage, real wage is _____ concept.
 - (a) narrow
 - (b) broad
 - (c) short
 - (d) None of the above
- (13) According to Robinson, the subject matter of economics is
 - (a) Wealth
 - (b) Scarcity
 - (c) Economic growth
 - (d) All
- (14) In economics, rational consumer is one who aims at
 - (a) maximum profit
 - (b) maximum satisfaction
 - (c) maximum Income
 - (d) maximum revenue