

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

**AJ-124**

April-2023

**Integrated I.M.B.A., Sem.-II**

**Principles of Economics I – Micro (PoE-I)**

**Time : 2:30 Hours]**

**[Max. Marks : 70**

- Instructions :**
- (1) This paper contains **FIVE** questions.
  - (2) **All** questions are compulsory.
  - (3) Question No. **2, 3, 4** have internal options.
  - (4) Figures in the right side in parenthesis indicate marks.

1. Define 'micro-economics'. Explain the scope of micro-economics in detail. **14**

2. State the Law of Demand. Explain the factors that help in determining the demand of a product. Also state the exceptions to the law. **14**

**OR**

Explain the law of diminishing marginal utility along with its assumptions and exceptions. **14**

3. Explain the law of supply with help of suitable schedules and diagrams. **14**

**OR**

Define monopoly and monopolistic competition. Discuss the features of monopoly in detail. **14**

4. Explain the concept of Rent and discuss types of rent in detail. **14**

**OR**

What is meant by wages in economics ? Discuss types of wages and explain the difference between real wages and nominal wages. **14**

5. Select the correct option for the following questions below : **14**

- (1) The law of diminishing marginal utility applies to :
  - (a) Production
  - (b) Supply
  - (c) Population
  - (d) Consumption
- (2) Private property is the most important feature of :
  - (a) Planned economy
  - (b) Mixed economy
  - (c) Socialist economy
  - (d) Capitalist economy
- (3) Air is an example of which type of good ?
  - (a) Economic
  - (b) Non-economic
  - (c) Both (a) and (b)
  - (d) Free

- (4) Which of the following is/are exception/s to the law of demand ?  
(a) Giffen goods (b) Prestige goods  
(c) None of the above (d) Both (a) and (b)
- (5) In oligopoly, the demand curve is :  
(a) Positive (b) Negative  
(c) Indeterminate (d) Determinate
- (6) Which of the following economy exists in India ?  
(a) Capitalist (b) Socialist  
(c) Mixed (d) None of the above
- (7) Economic problems arise due to :  
(a) Population (b) Poverty  
(c) Scarcity of resources (d) Unemployment
- (8) The study of particular firm, particular household and individual price, wage, income, industry and particular commodity is called:  
(a) Macro-economics (b) Micro-analysis  
(c) Micro-economics (d) Individual economics
- (9) The type of wages that are calculated according to the ongoing inflation rate in the economy is called:  
(a) Real wages (b) Cash wages  
(c) Inflated wages (d) Economic wages
- (10) According to the law of supply the relation between supply and price is :  
(a) Direct (b) Indirect  
(c) Uncertain (d) Can't be determined
- (11) According to the cardinal approach of utility analysis, utility obtained by an individual can be measured in the terms of:  
(a) Utils (b) Money  
(c) Satisfaction (d) All of the above
- (12) A situation in which the economic profit of the firm is zero occurs when the firm is earning :  
(a) Normal profit (b) Abnormal profit  
(c) Average profit (d) Normal loss
- (13) The type of market in which price discrimination is highly seen is :  
(a) Monopoly (b) Oligopoly  
(c) Perfect competition (d) All of the above
- (14) The rent which varies due to fertility of the land is called:  
(a) Differential rent (b) Quasi rent  
(c) Scarcity rent (d) Contractual rent
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