

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

# JB-104

January-2025

IMBA-I, Sem.-I (NEP Syllabus)

IMBA in Finance (FM) / IMBA in HR and Public Administration(HRPA)/

IMBA in Business Management (BM)

DPPG-IMBA-DSC-C-112/ DPPG-IMBAF-DSC-C-112/ DPPG-IMBAH-DSC-C-112

Micro Economics (ME)

Time : 2 Hours]

[Max. Marks : 50

1. (A) Explain the importance and scope of Micro economics in understanding market behaviour. Also discuss the limitations of Micro economics. 7
  - (B) Explain the difference between price and value with suitable examples. 3
  - OR**
  - (A) Define Economics. Also Compare and contrast a free market economy and a mixed economy. 6
  - (B) Explain the Production Possibility Curve (PPC) with graph and its importance in understanding resource allocation. 4
  2. (A) What is the demand function ? Explain the factors affecting demand with appropriate examples. 6
  - (B) Define utility. Discuss the concept of diminishing marginal utility with the help of graph. 4
  - OR**
  - (A) Define the law of demand and explain its assumptions. Discuss the exceptions to the law of demand with examples. 6
  - (B) Discuss the relationship between marginal utility and total utility with the help of a diagram. 4
  3. (A) What are the main characteristics of Oligopoly competition ? How is it different from Monopolistic competition ? 6
  - (B) The demand and supply functions for a product are as follows : 4
- $Q_d = 300 - 10P$   
 $Q_s = 50 + 5P$   
Find the equilibrium price and quantity.

**OR**

- (A) Compare and contrast Perfect and Monopoly market structures with examples. 7  
 (B) Define supply and explain the factors that determine the supply of a product. If the supply function is given as  $Q_s = 50 + 5P$ . Also calculate the quantity supplied when the price is ₹ 20. 3
4. (A) Discuss the marginal productivity theory of distribution. 5  
 (B) What is rent ? Explain the concept of Pure rent and Gross rent. 5
- OR**
- (A) What is the innovation theory of profit ? How does it explain the role of entrepreneurs in earning profits. 5  
 (B) Explain Ricardian Theory of Rent. 5
5. MCQ (any **10** out of **12**) : 10
- (1) Economics is the study of how:  
 (a) Unlimited resources are allocated to unlimited wants.  
 (b) Scarce resources are allocated to unlimited wants.  
 (c) Unlimited resources are allocated to limited wants.  
 (d) Scarce resources are allocated to limited wants.
- (2) The Production Possibility Curve (PPC) is:  
 (a) Convex to the origin. (b) Concave to the origin.  
 (c) A straight line. (d) U-shaped.
- (3) Opportunity cost refers to:  
 (a) The cost of producing an additional unit of a good.  
 (b) The monetary cost of production.  
 (c) The value of the next best alternative foregone.  
 (d) The total cost of production.
- (4) The law of demand states that:  
 (a) Price and quantity demanded are directly related.  
 (b) Price and quantity demanded are inversely related.  
 (c) Price and demand are unrelated.  
 (d) Price and quantity demanded move together.
- (5) Which of the following causes a shift in the demand curve ?  
 (a) Change in the price of the good.  
 (b) Change in consumer income.  
 (c) Change in quantity supplied.  
 (d) Change in production technology.

- (6) Consumer surplus is:
- (a) The price paid for a good.
  - (b) The cost incurred in production.
  - (c) The difference between what a consumer is willing to pay and what they actually pay.
  - (d) The tax paid on goods.
- (7) In perfect competition, firms are:
- (a) Price makers.
  - (b) Price takers.
  - (c) Monopolists.
  - (d) Oligopolists.
- (8) The supply curve usually slopes:
- (a) Upward.
  - (b) Downward.
  - (c) Horizontally.
  - (d) Vertically.
- (9) In a monopoly, the main feature is:
- (a) Many buyers and sellers.
  - (b) A single seller with no close substitutes.
  - (c) Product differentiation.
  - (d) Perfect information.
- (10) Real wages are:
- (a) Wages received in monetary terms.
  - (b) Wages adjusted for inflation.
  - (c) Total earnings of a worker.
  - (d) Bonuses received by a worker.
- (11) Economic rent refers to:
- (a) The actual cost of using a resource.
  - (b) Payment made to a factor of production above its opportunity cost.
  - (c) The cost of land usage.
  - (d) Payment for capital services.
- (12) According to the innovation theory of profit, profit arises due to:
- (a) Risk-taking by entrepreneurs.
  - (b) The introduction of new technologies or methods of production.
  - (c) Monopoly power in the market.
  - (d) The elasticity of demand for products.
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