

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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[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 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