

B.B.A. Part-I (Semester-II) (Old) Examination**BBA / 202****PRINCIPLES OF ECONOMICS**

Time : Three Hours]

[Maximum Marks : 80

Note :— All questions are compulsory.**SECTION A**

1. Macro economics is also called as _____ economics. 1×20=20
 (A) Selective (B) Individual
 (C) General (D) None of the above
2. _____ helps to determine the conditions for economic efficiency of a firm or industry.
 (A) Micro economics (B) Macro economics
 (C) Social economics (D) (A) and (B)
3. _____ economic utility and scope is much broader whereas _____ economic utility and scope is limited.
 (A) Micro, Macro (B) Macro, Micro
 (C) Macro, general (D) General, Macro
4. Economic laws are _____ exact than scientific laws and _____ exact than the other social science laws.
 (A) Less, little (B) More, less
 (C) Less, more (D) More, more
5. The term 'marginal' in economics means :
 (A) Additional (B) Unimportant
 (C) Minimum unit (D) None of the above
6. The law that defines the demand curve to slope downward is known as _____.
 (A) Diminishing marginal utility (B) Utility maximisation
 (C) Utility minimisation (D) Consumer equilibrium
7. _____ is not the property of indifference curves.
 (A) Higher the indifference curves, higher is the level of satisfaction
 (B) Indifference curve is downward sloping
 (C) Indifference curve is concave to origin
 (D) Two indifference curves cannot intersect each other
8. Hicks and Allen believed that utility :
 (A) Can be measured in cardinal numbers
 (B) Can be measured in ordinal numbers
 (C) Cannot be measured
 (D) Cannot be expressed

9. In short run, average cost curve is _____ shaped.
 (A) Soccer type (B) Flat
 (C) 'U' (D) 'L'
10. The addition made to the total cost by the production of one more unit of output is called _____.
 (A) Marginal cost (B) Real cost
 (C) Variable cost (D) Fixed cost
11. When marginal revenue is zero total revenue is _____.
 (A) Zero (B) Minimum
 (C) Decreasing (D) Maximum
12. Total Revenue = _____.
 (A) Price of commodity
 Number of units sold
 (B) Number of units sold
 Price of commodity
 (C) Number of units sold \times price of commodity
 (D) None of the above
13. External economies of business firm are _____.
 (A) Economies of information (B) Economies of centralization
 (C) Economies of vertical disintegration (D) All of the above
14. Which of the following factor is assumed to be fixed in short run of law of variable proportions ?
 (A) Labour (B) Capital
 (C) Entrepreneur (D) Land
15. _____ are internal to firm when its cost of productions is reduced and output increased.
 (A) Internal Economies (B) External Economies
 (C) Internal Diseconomies (D) External Diseconomies
16. External diseconomies are _____.
 (A) Problem of transportation (B) Scarcity of raw materials
 (C) (A) and (B) (D) None of the above
17. Lovable fund theory of interest is also called _____.
 (A) Classical theory (B) Neo-classical theory
 (C) Modern theory (D) None of these
18. _____ is the price paid for a loan.
 (A) Interest (B) Wages
 (C) Profit (D) Rent
19. According to _____, Interest is a reward for parting with liquidity.
 (A) Keynes (B) Schumpeter
 (C) Adam Smith (D) Alfred Marshall
20. Land, labour, capital and entrepreneurship are examples of which of the following ?
 (A) Public goods (B) Inferior goods
 (C) Factors of production (D) Outputs

SECTION B

Write answers in short :

4×5=20

1. (A) Explain the definition of Economics given by Marshall.

OR

- (B) What are the features of J.K. Mehta Economics definition ?

2. (A) Write the characteristics of Indifference curve.

OR

- (B) Explain the determinants of Elasticity of Demand.

3. (A) Define Opportunity cost.

OR

- (B) What are the differences between Explicit and Implicit Cost ?

4. (A) Define Marginal production.

OR

- (B) Write assumptions of Law of variable proportions.

5. (A) Explain the types of profit with examples.

OR

- (B) Explain Quasi Rent.

SECTION C

Write answers in detail :

8×5=40

1. (A) Explain the meaning of Micro Economics and its various subject matters.

OR

- (B) Explain Economic Laws. Define its limitation.

2. (A) Write the measurements methods of Elasticity of Demand.

OR

- (B) Critically examine Diminishing Marginal Utility theory.

3. (A) Define cost. Explain types of short run cost.

OR

- (B) Explain meaning of long run cost and its types.

4. (A) Explain the reasons of increasing, diminishing and negative returns of Law of variable proportions.

OR

- (B) Define economies of scale and advantages of Economies in Large Scale Industry.

5. (A) Explain the Ricardian theory of rent.

OR

- (B) Explain risk theory of Profit Knight.