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B.B.A. Examination, 2015

First Semester

Third Paper

(Principles of Economics)

Time : Three Hours

Maximum Marks : 70

[Pass Marks : Individual Paper : 40%

Aggregate : 50%

Note: Answer five questions in all. Short answer type **Question No. 1** carrying 30 marks is **compulsory**. Answer one question carrying 10 marks from each Unit.

1. Answer the following short answer questions :

3x10=30

(a) Explain the nature of Economics.

(2)

- ~~(b)~~ "Economics is the science of wealth." Comment.
- ~~(c)~~ Explain and illustrate economic and non-economic activities.
- ~~(d)~~ What is Demand? How is it different from Want?
- ~~(e)~~ Explain and illustrate perfectly Elastic Demand and Perfectly Inelastic Demand.
- ~~(f)~~ What is meant by "Large Number of Buyers and Sellers" in Perfect Competition.
- ~~(g)~~ State the Law of Constant Returns.
- ~~(h)~~ What is meant by "Normal Profit"?
- ~~(i)~~ Describe the Degrees of Discriminating Monopoly.
- ~~(j)~~ Distinguish between Factor Pricing and Product Pricing.

UNIT -I

~~2.~~ Trace the relevance of Economics in Business Management. 10

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- OR
3. Explain the Law of Equi-Marginal Utility.

UNIT -II

4. With the help of suitable diagrams explain the Law of Demand. Also discuss the exceptions to the Law of Demand. 10

OR

5. Examine the Hicksean Approach to Consumer Equilibrium.

UNIT -III

6. Explain and illustrate the Law of Increasing Returns. 10

OR

7. Write a lucid note on "Types of Market and their characteristics."

UNIT -IV

8. What is Perfect Competition? How is price

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determined under Perfect Competition both in short and long runs?

OR

9. Critically examine the Ricardian Theory of Rent.

