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(21216) Roll No. ....

B.B.A. - I Sem.

18038

B.B.A. Examination, Dec. 2016

Principles of Economics

(BBA-103)

(New)

Time: Three Hours] [Maximum Marks : 75

Note: Attempt all the sections as per instructions.

**Section - A**

**(Very Short Answer Questions)**

Note : Attempt all the five questions. Each question carries 3 marks. Very short answer is required not exceeding 75 words.

3×5=15

1. Compare Micro and Macro Economics.

P.T.O.

2. Explain the concept of quasirent.
3. What do you mean by Income elasticity of demand?
4. Define production function.
5. What are Indifference curves?

**Section - B**

**(Short Answer Questions)**

Note: Attempt any two questions out of the following three questions. Each question carries 7½ marks. Short answer is required not exceeding 200 words. 7½×2=15

6. What is meant by Monopoly? Is monopoly price always a high price?
7. What is the significance of Law of Diminishing Returns in Economic analysis?
8. Explain Law of demand. What are its exception?

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## Section - C

### (Detailed Answer Questions)

**Note :** Attempt any **three** of the following **five** questions. Each question carries **15** marks.

Answer is required in detail.  $15 \times 3 = 45$

9. Distinguish between perfect competition and monopolistic competition. How is price determined under perfect competition?
10. "Profit is the reward for risk and uncertainty bearing." Do you agree? Give reasons in support of your answer.
11. Define elasticity of demand. Describe the factors upon which it depends. Discuss the main methods of measuring elasticity of demand.

12. "At the point where the marginal utility is zero, total utility is maximum." Explain the statement with reference of Law of diminishing marginal utility and distinguish between marginal utility and total utility.
13. Explain the modern theory of rent. How is it differ from Ricardian theory of rent.