

Roll No.

BBA-103(N)

B. B. A. (First Semester)
EXAMINATION, Nov./Dec., 2018
(New Course)

Paper Third

PRINCIPLE OF ECONOMICS

Time : Three Hours]

[Maximum Marks : 70

Note : Attempt questions from all Sections as directed.

Inst. : The candidates are required to answer only in serial order. If there are many parts of a question, answer them in continuation.

Section—A

(Short Answer Type Questions)

Note : All questions are compulsory. Each question carries 3 marks.

1. ~~(A)~~ Write *four* limitations of Economics.
- ~~(B)~~ What do you mean by Macro economics ?
- ~~(C)~~ What do you understand by Balance of Payments ?
- ~~(D)~~ What is the concept of Demand ?
- ~~(E)~~ What is price determination ?
- ~~(F)~~ What is L-shaped cost curve ?

(C-97) P. T. O.

- (G) What is Quasi rent ?
- (H) How is 'price effect' different from 'substitution effect' ?
- (I) Write the concept of profit maximization.
- (J) Define oligopoly with an example.

Section—B

(Long Answer Type Questions)

Note : Attempt any two questions. Each question carries 10 marks.

2. Explain meaning, nature and scope of Managerial Economics and link it with management and its functional areas.
3. Explain the elasticity of demand. How can it be measured ?
4. Explain the production function in short-run and in long run. What is the relationship between production function and cost function ?
5. How is price demand determined in monopoly ? What is the difference between monopoly and perfect competition ?

Section—C

(Long Answer Type Questions)

Note : Attempt any two questions. Each question carries 10 marks.

6. "The law of diminishing return is a fundamental principle of Economics." Explain this statement and give the inter-relationship between three laws of returns.

7. Explain the liquidity preference theory of Interest.
8. Why is profit required ? Explain any two theories of profit.
9. The following data are given to you :

Labour Input	Output in Units
0	0
1	12
2	30
3	94
4	60
5	72
6	80

The fixed costs are ₹ 2,400 and labour costs are ₹ 8 per unit.

You are required to prepare a cost schedule showing Fixed Cost, Variable cost, Total Cost, Average Fixed Cost, Average Variable Cost, Average Total Cost, Incremental Cost and Marginal Cost.