

BBA-103(N)

Roll No. :

B.B.A.(N) (First Semester)
EXAMINATION, Dec., 2015
(New Course)

Paper Third

PRINCIPLE OF ECONOMICS

Time : Three Hours]

[Maximum Marks : 70

Note ; Section A is compulsory and short answer type. Attempt four questions selecting at least two questions each from Section B and Section C. Section B and C are long answer type.

SECTION – A

- I. Write short Notes on the following: 3 marks each question
- What is inducted method of analysis in economics?
 - Discuss why the understanding of economics is relevant for a manager.
 - "What is true in the case of an individual unit may not be true in the case of aggregates".
 - "Total utility is the sum of marginal utilities associated with the conjunction of successive units". Prove with the hypothetical example.
 - Why does the law of domination marginal utility operates?
 - Explain the concept of consumer surplus.
 - In which font of $AR=MR$ & why?

- h. Calculate are elasticity from the information given below:

Year	Price	Quantity
2014	5	100
2015	4	110

- i. "Interest is the reward of pure waiting". Which theory of interest explains it?
- j. What are equal product curves?

SECTION – B

Note : Attempt any two (2) questions. 10 marks each question

- "The elasticity of demand in a market is great or small according as the quantity demanded increase much or little for a given fall in price, and diminishes much or little for a given rise in price". Explain the above statement with the help of diagrams.
- Differentiate between "returns to factor" and (a) returns to scale along with diagrams (b) explain the concept of producer equilibrium.
- Discuss the case of consumer equilibrium with the help of indifference curve analysis.
- Explain the law of equi marginal utility.
 - What are price effect, income effect and substitution effect?

SECTION – C

Note : Attempt any two (2) questions. 10 marks each question

- Discuss the case of price discrimination along with the pre-conditions and diagram. Explain how price is determined by a monopolist into different markets.
- Why is demand curve "kinked" under oligopoly?
 - Differentiate between perfect competition and monopolistic competition.
- Discuss the liquidity preference theory and loanable funds theory of interest and compare them.
- Discuss any two theories of wage rate determination.