

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Winter 2022-23 Examination

Semester: 1
Subject Code: 06101104
Subject Name: Principles of Economics - Micro

Date: 20-01-2023
Time: 10.30am to 1.00pm
Total Marks: 60

Instructions

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as Directed.

A). Multiple choice type questions/Fill in the blanks. (Each of 1 mark) (05)

1. The Central topic of micro economics

a) Resource Allocation	c) Inflation
b) Determination of GDP	d) Business Cycles
2. According to the law of demand, when price falls, demand.....

a) expands	c) falls
b) contracts	d) decreases
3. When MU is zero, TU is

a) minimum	c) zero
b) maximum	d) negative
4. In which market, the number of sellers is too large?

a) Monopoly	c) Oligopoly
b) Duopoly	d) Perfect Competition
5. Who propounded uncertainty bearing theory of profit?

a) Knight	c) Hawley
b) Clark	d) Schumpeter

B). Define the following. (Each of 1 mark) (05)

1. Law of Demand
2. Utility
3. Supply
4. Oligopoly
5. Scarcity .

C). Direct questions. (Each of 1 mark) (05)

1. List down any 4 importance of Micro Economics.
2. What do you mean by Consumer Surplus?
3. Write down any 4 features of Monopolistic Competition
4. What is the difference between Time wages and Piece Wages
5. What is Veblen Effect?

Q.2 Answer the following questions.

A). Explain the concept of production possibility curve with the help of the diagram and its assumptions. (07)

B). Explain the law of Diminishing Marginal Utility with the help of a diagram. What are the exceptions of this law? (08)

Q.3 Answer the following questions.

A). What is perfect competition? Discuss its characteristics. (07)

B). Explain marginal productivity theory with the help of diagram. What are the assumptions of marginal productivity theory? (08)

Q.4 Attempt any two questions. (Each of 7.5 mark)

(15)

1. Economics is the study of the allocation of scarce resource among competing uses. Elucidate.
2. Distinguish between change in demand and shift in demand. Discuss the factors which cause shifts in demand.
3. Explain with diagram the effects of change in demand and supply on equilibrium price.
4. "Profit is the reward for uncertainty bearing". Explain