

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA, Winter 2017 - 18 Examination

Semester: 1

Subject Code: 06101104

Subject Name: Principles of Economics -Micro

Date: 26/12/2017

Time: 2:00 pm to 4:30 pm

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. In Economics, Demand means _____ demand.
 - a) effective demand
 - b) Total Demand
 - c) ineffective demand
 - d) individual demand
2. Giffen goods are _____.
 - a) luxury goods
 - b) superior goods
 - c) inferior goods
 - d) necessities
3. An Equilibrium price refers to a price at which _____.
 - a) Demand is more
 - b) Demand and supply becomes equal
 - c) supply is more
 - d) Demand and supply becomes unequal
4. Product differentiation is an important feature of _____.
 - a) perfect competition
 - b) oligopoly
 - c) monopolistic competition
 - d) monopoly
5. As Compare to money wages, Real wage is a _____.
 - a) narrow concept
 - b) short concept
 - c) wider concept
 - d) none of the above

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

(05)

1. Demand
2. Supply
3. Gross Interest
4. Utility
5. Quasi Rent

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

(05)

1. Differentiate between marginal utility and total utility.
2. Define Consumer Surplus.
3. Give two example of Monopoly.
4. What does time wage mean?
5. List down any four determinants of Demand.

Q.2 Answer the following questions.

A). “When consumer consumes the same commodity again and again its marginal utility starts diminishing.” – Explain.

(07)

B). Discuss the scope of Micro Economics study stating its limitations.

(08)

Q.3 Answer the following questions.

A). Define monopolistic competition and explain its features with suitable examples.

(07)

B). Discuss in detail marginal productivity theory of distribution and also state its assumptions.

(08)

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

(15)

1. “Supplier is willing to supply more quantity of commodity at higher price and less quantity at lower price.”- explain.
2. Identify different factors affecting real wages.
3. Draw Production possibility curve and also state its assumption.
4. “Price and Demand are inversely related”-Explain with the use of diagram and also mention its exceptions.