

Seat No: _____

Enrollment No: _____

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Summer Exam 2018-19 Examination

Semester: 1

Subject Code: 06101104

Subject Name: Principles of Economics-I

Date: 09/05/2019

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
 - b. Determination of GDP
 - c. Inflation
 - d. Business Cycles
2. In Economics, demand means
 - a. Individual Demand
 - b. Effective Demand
 - c. Ineffective Demand
 - d. Producers' Demand
3. Giffen goods are
 - a. Luxury goods
 - b. prestige goods
 - c. necessities
 - d. inferior goods
4. Other things remaining constant, when price falls, supply tends to
 - a. increase
 - b. decrease
 - c. expand
 - d. contract
5. Who attempted to link profits with innovations?
 - a. Knight
 - b. Schumpeter
 - c. Hawley
 - d. Clark

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

(05)

1. Planned Economy
2. Income Effect
3. Consumer Surplus
4. Quasi Rent
5. Chance Profit

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

(05)

1. State any 4 determinants of Demand.
2. What is Utility?
3. What is Supply Schedule?
4. List down the factors affecting Real Wage.
5. What is a Cartel in Monopoly Competition?

Q.2 Answer the following questions.

A). What is micro economics? Discuss the importance and limitations of micro economics. 07

B). State the law of Demand. Discuss the assumptions and exceptions to the law of demand. 08

Q.3 Answer the following questions.

A). Explain the law of diminishing marginal utility with the help of a diagram. What are the assumptions of this law? 07

B). Distinguish between gross interest and net interest. What are the constituents of gross interest? 08

Q.4 Attempt any two questions.(7.5marks Each)

1. Explain the concept of Production Possibility Curve with the help of diagram. Also state its assumptions.
2. Distinguish between change in demand and shift in demand. Discuss the factors which cause shifts in demand.
Distinguish between:
 3. a) Perfect Competition and Monopolistic Competition
 - b) Monopoly and Oligopoly
4. Explain marginal productivity theory with the help of diagram. What are the assumptions of marginal productivity theory?

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