

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Summer 2017 - 18 Examination

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

Date: 09/06/2018
Time: 10.30 am to 1.00 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. Demand for a commodity refers to

a) Need for the commodity	c) Desire for the commodity
b) Amount of the commodity demanded at a particular price and at a particular time	d) Quantity demanded of that commodity
- 2 The cost of one thing in terms of the alternative given up is called

a) Real Cost	c) Production Cost
b) Opportunity Cost	d) Physical Cost
- 3 Assume that consumer's income and the number of sellers in the market for good X both falls. Based on this information, we can conclude with certainty that the equilibrium

a) Price will rise	c) Price Will fall
b)Quantity will increase	d) Quantity will decrease
- 4 In which of the following market structure is the degree of control over the price of its product by a firm very large?

a) Perfect Competition	c) Monopoly
b) Oligopoly	d) Duopoly
- 5 Quasi Rent is _____ phenomenon.

a) Long term	c) Medium term
b) Short term	d)none of the above

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

1. Free goods
2. Micro Economics
3. Utility
4. Equilibrium Price
5. Gross Interest

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

1. Define Economics in the words of Robbins.
2. Distinguish between want and demand.
3. List down any two exception to the law of demand.
4. What is Quasi Rent.
6. Differentiate between Gross and net Profit.

Q.2 Answer the following questions.**A).Draw Production possibility curve and also state its assumption.****(07)****B).“When consumer consumes the same commodity again and again its marginal utility starts diminishing.” – Explain.****(08)****Q.3 Answer the following questions.****A). What is Supply and explain why supply curve always slopes upward?****(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. Discuss about the economic system of India also mention its unique features.
2. List down the different determinants of Demand and also provide suitable example for each of the determinant.
3. Define monopolistic competition and explain its features with real life examples.
4. How real wages is different then nominal wages? Identify different factors affecting real wages