

612051
B.B.A. SECOND SEMESTER EXAMINATION
APRIL – MAY, 2015
PAPER – V
PRINCIPLES OF ECONOMICS

Time: 3hrs

Max. Marks: 40

Min. Marks: 16

Note: All sections are compulsory. Marks are indicated against each section.

SECTION – A
Objective Type Questions

Q.1 Choose the correct answer: (1 x 5 = 5)

- (i) Which condition is necessary for equilibrium of a firm under perfect competition-
- (a) $MR = MC$ (b) $MR = AC$
(c) $TR = TC$ (d) $AR = AC$
- (ii) Who was presented the idea of the following monopolistic competition -
- (a) Chamberlain (b) Samuelson
(c) Hicks (d) Schumpeter
- (iii) Which of the following cost curves is U shaped?
- (a) Average cost curve (b) Marginal cost
(c) Total cost curve (d) Opportunity cost
- (iv) Increase in supply of any commodity when -
- (a) Price increases (b) Price falls
(c) Prices remain constant (d) None of above
- (v) Net National Product is -
- (a) $NNP = GNP + \text{Capital depreciation}$
(b) $NNP = GNP * \text{Capital depreciation}$
(c) $NNP = GNP - \text{Capital depreciation}$
(d) None of these

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SECTION – B
Short Answer Type Questions

(3 x 5 = 15)

- Q.2. Define the term market.
OR
Describe the main characteristics of perfect competition.
- Q.3. Define Monopoly.
OR
What is meant by imperfect competition?
- Q.4. Explain the concept of opportunity cost.
OR
Explain the concept of Marginal Cost.
- Q.5. What are the factors which affect the supply of a commodity?
OR
Explain the Law of Constant returns of production.
- Q.6. Define National Income.
OR
What is Gross Domestic Product?

SECTION – C
Long Answer Type Questions

(4 x 5 = 20)

- Q.7. Explain the different types of Markets.
OR
How is the price determined under perfect competition.
- Q.8. Write the characteristics of monopolistic competition.
OR

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How is the price is determined under monopoly?

- Q.9. What is meant by Prime Cost? Explain its characteristics.
OR
Describe the relation between marginal cost and average cost curve.
- Q.10. Explain the Malthus Theory of population. Is it applicable in India?
OR
Explain and illustrate the law of Diminishing Returns. Why does the law operate?
- Q.11. How National Income is calculated? Give methods.
OR
Give the difficulties of National Income estimates.
