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BBMBMC 106

**Credit Based First Semester B.B.M. Degree Examination, Oct./Nov. 2014
(2012-13 Batch Onwards) (NS)**

**ECONOMICS
Principles of Economics**

Time : 3 Hours

Max. Marks : 80

Note : A single answer booklet containing **40** pages will be issued.
No additional sheets will be issued.

SECTION – A

(1 mark each)

1. Answer any ten in one or two sentences each : (1×10=10)
- What is price mechanism ?
 - Who is the father of Economics ?
 - What are substitutes ?
 - Draw an exceptional supply curve.
 - Give the meaning of cross elasticity of demand.
 - Draw an indifference map.
 - What do you mean by vertical mobility of labour ?
 - Define land.
 - What is meant by ceteris paribus ?
 - Distinguish between fixed capital and circulating capital.
 - What is the origin of all economic problems ?
 - Give the meaning of contraction of demand.

SECTION – B
(5 marks each)

Answer any five in not more than two pages each :

- Classify price elasticity. (5×5=25)
- Explain the doctrine of consumer surplus.
- State and explain the law of supply.
- Distinguish between Micro Economics and Macro Economics.
- Define consumer sovereignty. What are its limitations ?
- What is capital formation ? Explain the determinants of capital formation ?
- What is division of labour ? What are its merits and demerits.

P.T.O.



SECTION – C
(15 marks each)

(15×3=45)

9. Explain the basic problems of an economy with the help of production possibility curve.

OR

Define price elasticity. Explain the methods of measuring price elasticity of demand. Point out its uses.

10. Explain the law of diminishing marginal utility and state the assumptions and exceptions to the law.

OR

State and explain the law of demand, with suitable examples. Why does a demand curve slope downwards? Can you think of exceptional demand curve?

11. What do you mean by equilibrium of the consumer? Explain the consumer's equilibrium with the help of indifference curve.

OR

Who is an entrepreneur? Explain the functions and attributes of an entrepreneur.
