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BBABMC 106/BBMBMC 106

**Credit Based I Semester B.B.A./B.B.M. Degree Examination,
October/November 2017
(2012 Scheme)
PRINCIPLES OF ECONOMICS**

Time : 3 Hours

Max. Marks : 80

SECTION – A

(1 mark each)

(1×10=10)

1. Answer **any ten** in **one** or **two** sentences **each** :

- a) Give the meaning of utility.
- b) Distinguish between single use goods and durable use goods.
- c) What is the marginal utility, when total utility is highest ?
- d) Draw a perfectly elastic demand curve.
- e) Give any two examples for substitutes.
- f) Mention any two advantages of division of labour.
- g) Define 'land' in economics.
- h) What do you mean by horizontal mobility of labour ?
- i) What is contraction of demand ?
- j) Give the formula of cross elasticity of demand.
- k) What is budget line ?
- l) State the law of supply.

SECTION – B

(5 marks each)

(5×5=25)

Answer **any five** in **not** more than **two** pages :

2. Distinguish between micro and macro economics.
3. Briefly explain the concept of consumer surplus.

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4. Explain the basic problems of an economy.
5. Write a note on income elasticity of demand.
6. What is meant by consumer's sovereignty ? What are its limitations ?
7. Define labour. What are its features ?
8. What are the determinants of demand ?

SECTION – C
(15 marks each)

(15×3=45)

9. Critically examine the scarcity definition of economics.

OR

Explain the law of demand. Why does demand curve slopes downwards ?

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

OR

Define efficiency of labour. Explain the factors determining efficiency of labour.

11. Explain the consumers equilibrium with the help of indifference curve.

OR

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