Total Number of Questions:09

BBA,SEM I, 2014
MICRO ECONOMICS
PAPER CODE:BBA 102
PAPER ID:[C1122]

Time: 03 Hours   Maximum Marks: 60

Instructions to candidates:

1) Section –A is compulsory

2) Attempt four questions from Section–B. Choose only one question from each unit.

SECTION -A

Q.1. Write short notes on

a) Basic Problems of an Economy

b) Marginal Rate of Substitution

c) Cross Elasticity of Demand

d) Relationship between Average Revenue and Marginal revenue

e) Returns to Scales

f) Prime Costs

g) Selling costs

h) Quasi Rent

i) Differentiate between Gross interest and Net Interest

j) Ridge Line   (2x10)

SECTION-B

UNIT-I

Q.2 Explain Consumer's Equilibrium with the help of Ordinal Analysis.   (10)

Q.3. Explain Law of Diminishing Marginal Utility. Also give its importance. (6,4)

UNIT-II

Q.4. Explain the relationship between Average Revenue, Marginal Revenue and Elasticity of Demand.   (10)

Q.5 Explain Law of Demand .Why Demand Curve is downward sloping?   (6,4)

UNIT-III

Q.6. Explain Planning Curve. Why the U shape of long run average cost is less pronounced than that of short run average cost curve?

                                                                    (6,4)

Q.7. What do you mean by Economies of Scale. Explain Internal and External Economies of large scale production.   (10)

UNIT-IV

Q.8. Explain the concept of Individual Equilibrium and Group Equilibrium under Monopolistic Competition.   (10)

Q.9. Explain critically Ricardian Theory of Rent. Does Rent enter into Price?

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