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Total No. of Pages : 02

Total No. of Questions : 09

BBA (Batch-2012) (Sem.-1st)

MICRO ECONOMICS

Subject Code : BBA-102

Paper ID : [C1122]

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTION TO CANDIDATES :

1. **SECTION-A** is **COMPULSORY** consisting of **TEN** questions carrying **TWO** marks each.
2. **SECTIONS-B** consists of **FOUR** Subsections : Units-I, II, III & IV. Each Subsection contains **TWO** questions each carrying **TEN** marks each and student has to attempt any **ONE** question from each Subsection.

SECTION-A

1. Write briefly :

- (a) Opportunity Cost.
- (b) Marginal Rate of Substitution.
- (c) Cross Elasticity of Demand.
- (d) Law of Demand.
- (e) Envelope Curve.
- (f) Internal Economies of Scale.
- (g) Short run and long-run production functions.
- (h) Perfect competition.
- (i) Excess capacity.
- (j) Quasi Rent.

SECTION-B

UNIT-I

2. What do you understand by the term micro-economics? Discuss the nature and scope of micro-economics.
3. Critically evaluate the Ordinal Utility Approach of Demand.

UNIT-II

4. Define Elasticity of Demand. Discuss the methods of measuring elasticity of demand in detail.
5. Distinguish between (i) extension and increase in demand (ii) contraction and decrease in demand. Illustrate with diagrams.

UNIT-III

6. What do you understand by Production Function ? What are the three stages of short-run Production Function ? Which one is the economic zone of production and why ?
7. Give reasons for the U-shape of Long run Average Cost Curve. Why is LAC usually called “Planning Curve” ?

UNIT-IV

8. What is Kinked Demand Curve ? How does it explain price rigidity under oligopoly ?
9. Explain Keynes’ Liquidity Preference Theory of Interest. Why is it considered to be indeterminate ?