

Roll No. ....

Total No. of Pages : 02

Total No. of Questions : 07

**BBA (Sem.-1)**  
**MICRO ECONOMICS**  
**Subject Code : BB-103**  
**Paper ID : [C0203]**

Time : 3 Hrs.

Max. Marks : 60

**INSTRUCTION TO CANDIDATES :**

1. SECTION-A is COMPULSORY.
2. Attempt any FOUR questions from SECTION-B.

**SECTION-A**

**(10 × 2 = 20 Marks)**

1. Write short notes on :

- (a) Consumer surplus
- (b) Substitution effect
- (c) Assumptions of indifference curves
- (d) Equilibrium
- (e) Marginal utility vs. total utility
- (f) Price consumption curve
- (g) Law of Demand
- (h) Normal price
- (i) Price discrimination
- (j) Types of cost curves

**SECTION-B**

**(4 × 10 = 40 Marks)**

2. Explain the law of Diminishing Marginal Utility and explain its relationship with law of demand.

3. Distinguish between the concepts of Statics and Dynamics. What is their utility in economic analysis?
4. Define elasticity of demand and distinguish between 'point elasticity' and 'arc elasticity'. Explain the methods of measuring point elasticity.
5. What are indifference curves? Explain the effect of an increase in money income on his consumption of
  - (i) a normal good,
  - (ii) an inferior good other things being equal. Illustrate with diagrams.
6. Compare perfect competition and monopoly in respect of price, output and profits.
7. What is oligopoly ? Examine the significance of firm's kinked demand curve in the theory of price under oligopoly.