BBA
SEMESTER- 1ST
PRINCIPLES OF ECONOMICS
BBA-104

Duration: 3 Hrs. **Marks: 70**

Part : A (Objective) = 20
Part : B (Descriptive) = 50

[PART-B : Descriptive]

Duration: 2 Hrs. 40 Mins. **Marks: 50**

[Answer question no. One (1) & any four (4) from the rest]

1. Explain the following: 5x2=10
a)Market Power b)Economies of scale
c)Economic profit in Perfect competition d)Variable cost
e)Opportunity cost

2. a) What is law of variable proportion? 3+ 7=10
b) What are the stages of production? Explain in brief.

3. a) Explain production function. 4+6=10
b) What is law of returns to scale? Provide the assumptions.

4. a) Diagrammatically represent Break-even point. 5+5=10
b) What is the difference between average cost and marginal cost?

5. a)What is demand? 2+4+4=10
b)Explain the reasons for shift in supply.
c)What is change in quantity demanded?

6. a) What is business cycle? Explain its stages 5+2+3=10
b) What are the different types of market?
c) Provide three characteristics of Monopolistic Competition.

7. a) Show, in a diagram, how market equilibrium shifts when demand increases and supply decreases. 5+5=10
b) What are the types of price elasticity of supply? Explain

8. a) Solve the following: 4+6=10
$Q_d = 450 - 2P$; $Q_s = 3P-10$
Find equilibrium price and quantity
b) the Sherston Brick Company manufactures a standard stone block for the building industry. The production capacity for the year is 100,000 standard blocks. The selling price per block is Rs. 1.60, variable costs are Rs 0.60 per brick and fixed costs are Rs. 60,000 per annum.
Determine:
The break-even point in terms of sales revenue and output.
The margin of safety if sales amount to 90,000 bricks in the year.

= = *** = =

REV-00 2017/12
BBA/21/28

BBA
SEMESTER- 1ST
PRINCIPLES OF ECONOMICS
BBA-104

[PART-A : Objective]

I.Choose the correct answer from the following : **1X20=20**

1. Demand is determined by
   a. Price of the product
   b. Tastes and habits
   c. Relative prices of other goods
   d. All of the above

2. Given the price, if the cost of production increases because of higher price of raw materials, the supply
   a. Decreases
   b. Increases
   c. Remains same
   d. Any of the above

3. Under ______, price is determined by the interaction of total demand and total supply in the market.
   a. Perfect competition
   b. Monopoly
   c. Imperfect competition
   d. All of the above

4. Under perfect competition, price is determined by the interaction of total demand and ________.
   a. Total supply
   b. Total cost
   c. Total utility
   d. Total production

5. The short run Average Cost curve is __ shaped
   a. V
   b. U
   c. L
   d. Any of the above

6. Oligopoly is a type of ________ market. A ________ exists in the industry
   a. Perfect, few firms
   b. Imperfect, few firms
   c. Perfect, many firms
   d. Imperfect, many firms

7. The demand curve has a _____ slope.
   a. Undefined
   b. Zero
   c. Negative
   d. Positive

8. **When a firm's average revenue is equal to its average cost, it gets ________.**
   a. Super profit
   b. Normal profit
   c. Sub normal profit
   d. None of the above

9. A tabular representation of different quantities of a commodity demanded at different prices are known as
   a. Demand series
   b. Demand schedule
   c. Demand pattern
   d. Statistical demand table

10. The opportunity cost of a good is
    a. the time lost in finding it
    b. the quantity of other goods sacrificed to get another unit of that good
    c. the expenditure on the good
    d. the loss of interest in using savings

11. A market can accurately be described as
    a. a place to buy things
    b. a place to sell things
    c. the process by which prices adjust to reconcile the allocation of resource
    d. a place where buyers and sellers meet

12. When we know the quantity of a product that buyers wish to purchase at each possible price, we know
    a. Demand
    b. Supply
    c. Excess demand
    d. Excess supply

13. The equilibrium price clears the market; it is the price at which ________ _________
    a. Everything is sold
    b. Buyers spend all their money
    c. Quantity demanded equals quantity supplied
    d. c and d

14. Which of the assumptions on which the demand is based are
    a. Technology
    b. Prices of other related goods and tastes and preferences
    c. Production Costs
    d. Prices of Inputs

15. ________ and ________ do not directly affect the demand curve
   a. the price of related goods, consumer incomes
   b. consumer incomes, tastes
   c. the costs of production, bank opening hours
   d. the price of related goods, preferences

16. In case of decrease in demand, the demand curve
   a. Shifts forward
   b. Shifts backward
   c. Slopes negatively
   d. Will be a vertical straight line

17. A demand curve can shift because of changing
   a. Incomes
   b. Prices of related goods
   c. Tastes
   d. All of the above

18. Microeconomics is concerned with
   a. The economy as a whole
   b. The electronics industry
   c. The study of individual economic behavior
   d. The interactions within the entire economy

19. In case of expansion and contraction in demand, the consumer would be moving either in the upward or downward direction
   a. On a higher demand curve
   b. On two demand curves
   c. On a lower demand curve
   d. Along the same demand curve

20. The Law of Demand assuming other things to remain constant, establishes the relationship between
   a. Income of the consumer and the quantity of a good demanded by him
   b. Price of a good and the quantity demanded
   c. Price of a good and the demand for its substitute
   d. Quantity demanded of a good and the relative prices of its complimentary goods

= = *** = =

UNIVERSITY OF SCIENCE & TECHNOLOGY, MEGHALAYA

[PART (A) : OBJECTIVE]

Duration : 20 Minutes

Serial no. of the main Answer sheet

Course : ....

Semester : .... **Roll No :** ....

Enrollment No : .... **Course code :** ....

Course Title : ....

Session : 2017-18 **Date :** ....

****

Instructions / Guidelines

- The paper contains twenty (20) / ten (10) questions.
- Students shall tick (✓) the correct answer.
- No marks shall be given for overwrite / erasing.
- Students have to submit the Objective Part (Part-A) to the invigilator just after completion of the allotted time from the starting of examination.

Full Marks	Marks Obtained
20	

Scrutinizer's Signature *Examiner's Signature* *Invigilator's Signature*