

Roll No.....

Total No. of Questions : 13]

[Total No. of Pages : 02

Paper ID [B0103]

(Please fill this Paper ID in OMR Sheet)

BBA (BB - 103) (S05) (O) (Sem. - 1st)

MICRO ECONOMICS

Time : 03 Hours

Maximum Marks : 75

Instruction to Candidates:

- 1) Section - A is **Compulsory**.
- 2) Attempt any **Nine** questions from Section - B.

Section - A

Q1)

(15 × 2 = 30)

- a) Write a brief note on Indifference curve.
- b) What do you know about price elasticity of demand?
- c) Write a brief note on marginal utility.
- d) Explain the law of equimarginal utility.
- e) Explain the relationship between Total utility and marginal utility.
- f) Define marginal rate of substitution.
- g) Explain the law of diminishing returns.
- h) Show how does demand curve (AR) slopes under monopoly?
- i) Explain short run supply curve of a firm.
- j) Explain the law of constant returns.
- k) Write a short notes on :
 - (i) Explicit cost.
 - (ii) Implicit cost.
- l) Give assumptions of perfect competition.
- m) Give relationship between Average cost and Marginal cost.
- n) Compare the law of returns and returns to scale.
- o) Explain Long run equilibrium under monopoly.

A-11

P.T.O.

Section - B

(9 × 5 = 45)

- Q2)** Why does demand curve slopes downward? Are there any exception to the demand curve?
- Q3)** What is marginal rate of substitution? Give its principle. Why does marginal rate of substitution fall?
- Q4)** What is price-elasticity of demand? Explain point and arc methods of measuring it.
- Q5)** State and explain the meaning of returns to scale. Explain in detail the three stages of returns to scale.
- Q6)** Why the short run cost curves U shaped? Also discuss the relationship between AC and MC.
- Q7)** How is monopoly price determined? Should monopolies be controlled and regulated?
- Q8)** What is monopoly equilibrium? State and explain how does monopolist fix his price in the Long period.
- Q9)** What is monopolistic competition? Determine short period equilibrium under monopolistic competition.
- Q10)** Explain the law of equimarginal utility? Explain the importance and limitations of this law.
- Q11)** Explain with the help of Indifference Curve Analysis.
- (a) Price Effect.
 - (b) Income Effect.
 - (c) Substitution Effect.
- Q12)** Define Income elasticity of demand? Give its degrees.
- Q13)** What is perfect competition? Explain its features.

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