



RG-5392

Seat No. _____

First Year B. B. A. Examination

March/April – 2011

Principles of Economics

Time : 3 Hours]

[Total Marks : 100

Instruction : (1) Attempt all questions on the basis of internal options.

(2) All questions carry equal marks.

(3) Draw the diagrams as per requirement.

1 Explain Prof. Robbins scarcity approach to economics in detail. **20**

OR

1 (a) What is marginal utility ? Explain the relationship between total utility and marginal utility. **10**

(b) Explain the law of demand. **10**

2 (a) What are the main functions of money ? **10**

(b) Discuss in brief the functions of central bank. **10**

OR

2 Examine critically Keynesian theory of employment. **20**

3 (a) Explain various types of price elasticity of demand. **10**

(b) What do you mean by supply ? Explain the law of supply. **10**

OR

3 (a) What is oligopoly ? Discuss its main features. **10**

(b) Narrate in brief different phases of trade cycle. **10**

- 4 (a) Profit is the reward of innovation. **10**
(b) Explain the characteristics of perfect competition. **10**
- 5 Write short notes on the following. (Any four) **20**
- (1) Income elasticity of demand.
 - (2) Gross interest and net interest.
 - (3) Risk and uncertainly.
 - (4) GNP and NNP.
 - (5) Internal and international trade.
 - (6) Balance of payment and balance of trade.
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