Roll No. | | | | | | | | | | | | **Total No. of Pages: 02**

Total No. of Questions: 09

BBA (2012 & Onward Batches) / BRDM / Bachelor in Service Industry Management (SIM) (2014 & onwards) (Sem. – 1)

MICRO ECONOMICS

M Code: 10539

Subject Code: BBA-102

Paper ID: [C1122]

Time: 3 Hrs. **Max. Marks: 60**

INSTRUCTIONS TO CANDIDATES:

1. **SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.**
2. **SECTIONS-B consists of FOUR Sub-sections : Units-I, II, III & IV.**
3. **Each Sub-section contains TWO questions each, carrying TEN marks each.**
4. **Student has to attempt any ONE question from each Sub-section.**

SECTION A

1. Write short notes on the following:

   a) Law of diminishing marginal utility.

   b) Marginal and incremental principle.

   c) Relationship between AR, MR and total Revenue.

   d) Income elasticity of Demand.

   e) Conditions of consumer equilibrium in the IC Analysis of demand.

   f) Planning curve.

   g) External economies of scale.

   h) Discriminating monopoly.

   i) Marginal productivity theory.

   j) Group Equilibrium.

SECTION B

UNIT I

2. Microeconomics is a microscopic study of the economy. Explain.

3. a) Explain why consumer's indifference curves.

    i) have negative slope

    ii) are convex to the origin

   b) Show that if Indifference curves are concave, consumer will consume only one of the two goods.

UNIT II

4. Explain the following concepts of elasticity of demand

   a) Price elasticity of demand

   b) Income elasticity

   c) Cross elasticity of demand

   d) Point price elasticity of demand

   e) Arc price elasticity of demand

5. Distinguish between the movement along a demand curve and a shift in the demand curve. Also discuss the Giffen's paradox. 7+3

UNIT III

6. Explain the various economies of scale and diseconomics of scale that accrue to the firm when it expands its scale of production.

7. Explain the concepts of total fixed cost, total variable coasts and total costs. How are they related to each other? Illustrate them through curves. Is the distinction between the fixed cost and variable costs relevant in the long-run?

UNIT IV

8. Analyse the short-run and long-run equilibrium of a firm working under monopolistic competition.

9. Discuss in detail about price Discrimination and degree of price discrimination.