



**AQ-5392**  
**First Year B. B. A. Examination**  
**March / April – 2016**  
**Principles of Economics**  
*(Old Course)*

Seat No. \_\_\_\_\_

Time : 3 Hours]

[Total Marks : 100

- Instructions :** (1) Attempt all questions.  
(2) All questions carry equal marks.  
(3) Draw diagrams if required.

1 Explain Lionel Robbin's scarcity definition of Economics. **20**

**OR**

- 1 (a) What are the main functions of money ?  
(b) Discuss Nature and scope of Economics.

2 (a) Explain law of demand with the help of diagram. **10**  
(b) What are the various functions of commercial banks ? **10**

**OR**

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

3 (a) Explain different types of price elasticity of demand. **10**  
(b) Explain different stages of trade cycle. **10**

**OR**

3 (a) Explain monetary and real wage. What are the factors affecting on real wage ? **10**  
(b) Explain the concept of GDP and GNP. **10**

4 (a) Discuss meaning and characteristics of perfect competition. **10**  
(b) Explain kinked demand curve in Oligopoly. **10**

**OR**

- 4 (a) Explain credit creation process with example. **10**  
(b) What is internal and international trade ? **10**
- 5 Write notes on any two : **10+10**
- (1) Law of supply
  - (2) Total Utility and Marginal Utility
  - (3) Risk and Uncertainty theory of profit
  - (4) Ricardian Theory of Rent
  - (5) Balance of trade and balance of payment
  - (6) Functions of Central Bank.
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