

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
SY BCA, Semester-III, Semester End Examination, October, 2019
Introduction to Economics (BCA304)

Duration: 2 hours

Total Marks: 50

Instructions:

- Start each question on a fresh page.
- Figures to the right indicate maximum marks.
- All questions are compulsory.
- Answers to sub questions for Q.2 to Q.5 should be approximately 400 words each.

Q.1. A) Fill in the blanks with the most appropriate answers. (05x1=05)

- a) Under monopoly market structure the seller of the product is known as a
- b) The additional utility derived from the consumption of an extra unit of a commodity is known as
- c) Cross elasticity of demand for complementary goods is
- d) The aggregate output resulting from the use of total quantities of all inputs is known as
- e) The price paid to labour for its contribution to the process of production is called

Q.1. B) State whether the following statements are *True or False*. (05x1=05)

- a) Positive economics relies on objective data analysis and relevant facts
- b) When marginal utility is negative, total utility is increasing
- c) Luxury goods and services have an income elasticity of demand $> +1$
- d) When marginal product is less than average product, this means that average product is falling
- e) 'Rent' is used as a part of the produce which is paid to the owner of land for the use of his goods and services

Q.2. A) Define the term 'Economics' and explain the problems of scarcity. (10 Marks)

OR

Q.2. B). i) Explain the meaning and features of monopolistic competition market structure. (5x2=10 Marks)

ii) Distinguish between positive and normative economics.

Q.3. A) Explain the law of diminishing marginal utility with the help of a neat diagram. **(10 Marks)**

OR

Q.3. B) Explain the shifts in demand and supply equilibrium. **(10 Marks)**

Q.4. A.i) Explain the cross elasticity of demand **(5x2=10Marks)**
ii) Explain the importance of elasticity of demand.

OR

Q.4. B) Explain the law of variable proportions **(10 Marks)**

Q.5. A) Explain the 'Ricardian Theory of Rent'. **(10 Marks)**

OR

Q.5. B) Explain the liquidity preference theory of interest. **(10 Marks)**
