DISTANCE EDUCATION

B.B.M. DEGREE EXAMINATION, MAY 2009

PRINCIPLES OF ECONOMICS

Time : Three hours   Maximum : 100 marks

PART A — (5 × 8 = 40 marks)

Answer any FIVE questions about 200 words each

All questions carry equal marks.

1.   State the importance of estimating national income.

2.   Explain the causes for population growth.

3.   Explain the Optimum Theory of Population.

4.   Why does a demand curve slope downward?

5.   What are the properties of Indifference Curves?

6.   Explain the Law of Diminishing Returns.

7.   Bring out the relationship between 'Average Cost' and 'Marginal Cost'.

8.   Describe the features of Monopolistic Competition.

PART B — (4 × 15 = 60 marks)

Answer any FOUR questions about 400 words each.

All questions carry equal marks.

9. Discuss the Malthusian Theory of Population.

10. What is Elasticity of Demand? Explain its various types.

11. Analyse the features of Duopoly and Oligopoly.

12. Explain the equilibrium condition of a firm in short run and long run under Perfect Competition.

13. 'Rent is surplus over transfer earnings' — Discuss.

14. Describe the Keynes' Liquidity Preference Theory of Interest.

15. Examine the theories of Profit.

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