

**DISTANCE EDUCATION****B.B.M. DEGREE EXAMINATION, MAY 2010.****PRINCIPLES OF ECONOMICS**

Time : Three hours

Maximum : 100 marks

**PART A — (5 × 8 = 40 marks)**

Answer any FIVE questions in about 200 words each.

All questions carry equal marks.

1. Mention the problems involved in the measurement of National Income.
2. State and explain the optimum theory of population.
3. What is Elasticity of demand? Explain the types of price elasticity of demand with suitable diagrams.
4. Differentiate between optimum firm and representative firm.
5. Bring out the difference between fixed cost and variable cost with suitable examples and diagrams.
6. What is price discrimination? Under what conditions it is possible?
7. Explain rent as surplus over the transfer earnings.
8. State and explain the risk and uncertainly theory of profit.

PART B — (4 × 15 = 60 marks)

Answer any FOUR questions in about 400 words each.

All questions carry equal marks.

9. Describe the different methods of measuring National Income.
  10. Explain how consumer attains equilibrium through indifference curves.
  11. Discuss the various types of external and Internal economies of scale.
  12. Examine how is price determined in a discriminating monopoly.
  13. Account for price rigidity under oligopoly. Illustrate it with the help of Kinked demand curve.
  14. Analyze the relation between wages and productivity.
  15. “Internet is the price for parting with liquidity”-Discuss.
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