

DISTANCE EDUCATION  
B.B.M. DEGREE EXAMINATION, DECEMBER 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 and explain the significance of National Income.
2. Explain the role of Capital in Production.
3. What is an Indifference Curve? Explain its properties with suitable diagrams.
4. Differentiate between Marginal Revenue and Marginal Cost.
5. Bring out the difference between Opportunity Cost and Real Cost with suitable examples.
6. Explain the features of Bilateral Monopoly.
7. What are the causes for Wage differentials?
8. Explain Interest as Reward for waiting.

PART B — (4 × 15 = 60 marks)

Answer any FOUR questions about 400 words each.

All questions carry equal marks.

9. Explain the various concepts of measuring National Income.
  10. Describe the Malthusian theory of Population.
  11. Examine the Law of Returns.
  12. Narrate the Conditions of Competitive equilibrium.
  13. What are the features of Monopoly? How Price-output is determined under Monopoly?
  14. What is collective bargaining? Under what conditions can a trade union succeed in securing better terms of employment to its members?
  15. Discuss the Liquidity Preference theory of Interest.
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