

DISTANCE EDUCATION
B.B.M. DEGREE EXAMINATION, DECEMBER 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. Explain the concepts of GDP, GNP, NNP and Per Capita Income.
2. State the various factors affecting the growth of population
3. State the law of demand and explain the various factors affecting demand.
4. Explain consumer's equilibrium using indifference curve.
5. Distinguish between Internal and External economics.
6. Differentiate Duopoly from oligopoly.
7. Why does average cost curve always 'U' shaped?
8. Explain the marginal productivity theory of profit.

PART B — (4 × 15 = 60 marks)

Answer any FOUR questions in about 400 words each.

All questions carry equal marks.

9. Explain the Malthusian Theory of Population.
10. What is elasticity of demand? Explain its various types.
11. Explain how price is determined under Monopoly.
12. Explain the Concept of Rent. 'Rent is surplus over transfer earnings' – Discuss.
13. Discuss the advantages and limitations of large scale production.
14. State and explain the law of diminishing Returns.
15. Critically discuss Keynes's Liquidity Preference theory of interest.