

DE-4001**12**

DISTANCE EDUCATION

B.B.M. DEGREE EXAMINATION, DECEMBER 2008.

First Year

Bank Management

PRINCIPLES OF ECONOMICS

Time : Three hours

Maximum : 100 marks

PART A — (5 × 8 = 40 marks)

Answer any FIVE questions.

1. Define GNP and NNP and bringout the major difference between them.
2. What is meant by "Optimum Population"? Explain.
3. Define Elasticity of demand. Give any three factors affecting elasticity of demand.
4. Distinguish between an optimum firm and a representative firm.
5. Bringout the difference between real cost and opportunity cost.
6. Give any two conditions under which price discrimination is possible in the monopoly market.
7. Distinguish between short-run and long-run under monopolistic competition.
8. Differentiate between scarcity rent and differential rent.

PART B — (4 × 15 = 60 marks)

Answer any FOUR questions.

9. Explain the uses of national income analysis. Also explain the recent national income trend of Indian Economy.
 10. Critically examine Malthusian Theory of population and optimum theory of population.
 11. Describe the importance of indifference curves. Also indicate the main weaknesses of the indifference curve approach.
 12. Critically examine the law of diminishing returns and discuss its limitations.
 13. Discuss in detail the price-output determination under monopolistic competition.
 14. Examine critically the Liquidity Preference Theory of Interest.
 15. State and critically examine the Marginal Productivity Theory of Wages.
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