

# **Bachelor of Commerce – Part – I**

## **General Course**

### **Principle of Economics ( Paper – III )**

**Time: 3 Hours**

**Paper – I**

**Full Marks: 100**

**INSTRUCTIONS:** Ten questions shall be asked. Each question will carry equal marks. First question is compulsory and shall consist of Ten Multiple Choice Questions. The rest questions will be of subjective type which may include long questions and short notes.

Nature and scope of Economics: Marshall and Ribbon definitions of Economics Law. Micro and macro Economics.

Economic system and their Basic features Difference between them simplified Circular Flow mode. The function of an Economic Systems features, Merits and Demerits of Capitalism, socialism and mixed Economy.

Theory and Demand: Law of Demand, Elasticity of Demand, Consumer's surplus Indifference Curve analysis.

Production: Law of Returns, Elementary ideas of Production. Function and ISO-Product. Curve, Nature of Costs, Fixed and variable Costs. Total Average and Marginal Costs.

Theory of Product Pricing

- (a) Pricing and output under perfect competition: Nature of Perfect competition, Pricing and output in the Market: Period, Short and Long Period. Equilibrium of the firm under Perfect Competition.
- (b) Pricing and output under Monopoly: Meaning of Monopoly. Costs and Revenues in Monopoly. Analysis. Short-run Long run. Equilibrium under Monopoly, Price Discrimination under Monopoly.

National Income: Meaning of GNP, NNP, NDP and NI. Theory of Distribution of theory of Factor Pricing: Theories of Rent, Wages, Interest and Profit.