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# Indian Maritime University

(A Central University, Govt of India)

End Semester Examinations – December 2025

Programme Name: BBA (ML)

Semester: I

Subject Code: UG32T2103

Subject Name: ELEMENTS OF ECONOMICS

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Date: 10.12.2025

Max Marks: 70

Duration: 03 Hrs

Pass Marks: 35

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## General Instructions

- (i) All Sections (A, B & C) are to be attempted.

### Section A

Answer the following compulsory questions (MCQs) (10 X 01= 10Mark)

- Which of the following is not one of the four big questions of economics?  
A) What to produce  
B) How to produce  
C) When to produce  
D) For whom to produce
  - A fisheries company increases supply when the market price of prawns rises. This is an example of:  
A) Law of Demand  
B) Law of Supply  
C) Law of Diminishing Utility  
D) Opportunity Cost
  - Which of the following is an internal economy of scale?  
A) Better infrastructure facilities  
B) Use of specialized machinery  
C) Government policy  
D) Availability of skilled labour in the market
  - If the total cost of producing 100 units is ₹10,000 and total fixed cost is ₹4,000, then average variable cost is:  
A) ₹100  
B) ₹60  
C) ₹40  
D) ₹20
  - A firm under monopoly can influence:  
A) Only price  
B) Only demand
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- C) Both price and output                      D) Neither price nor output
6. Which of the following best describes oligopoly behaviour?
- A) Firms act independently  
B) Firms ignore competitors' actions  
C) Firms are interdependent in decision-making  
D) There is perfect information
7. NDP is calculated by:
- A) Subtracting depreciation from GDP  
B) Adding net exports to GDP  
C) Dividing GDP by population  
D) Adding net factor income from abroad
8. Which of the following measures focuses on well-being rather than income?
- A) GDP    B) NNP  
C) HDI and GNH                                D) GNP
9. What is the main characteristic of deflation?
- A) Falling prices                                B) Rising prices  
C) Stable prices                                 D) High inflation rates
10. Fiscal policy relates to:
- A) Money supply control                      B) Government spending and taxation  
C) Exchange rates                              D) Foreign investments

**Section B**

Five Questions of 02 Marks each

(05 X 02= 10Mark)

11. What are the main determinants of demand?
12. Why is Break-Even Analysis important for managers?
13. Why is a firm in perfect competition a price taker?
14. Mention two limitations of GDP as a measure of welfare?
15. Explain Demand-pull Inflation?

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**Section - C**

Answer any five questions

(10 X 05= 50Mark)

16. What are the different types of demand? Give suitable examples?
17. Explain the concept of the Law of Diminishing Returns with an example?
18. Discuss the importance of elasticity of demand for business decision-making?
19. Explain the concept of Market Structure and discuss its major types?
20. Discuss the role of demand and supply in determining equilibrium price with a numerical example?
21. (i) Calculate NDP if GDP = ₹8,000 crores and depreciation = ₹1,200 crores?  
(ii) If GNP = ₹10,000 crores and depreciation = ₹1,500 crores, calculate NNP?
22. Analyze the main objectives and instruments of Fiscal Policy?

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