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**MANIPAL UNIVERSITY**  
**DUBAI CAMPUS**  
**FIRST SEMESTER B.B.A. DEGREE EXAMINATION – JANUARY 2009**  
**SUBJECT: PRINCIPLES OF MICRO – ECONOMICS (ECN 101)**  
Thursday, January 08, 2009

Time: 3 Hrs.

Max. Marks: 100

Answer any **FIVE** of the following questions. All questions carry equal marks

1. Discuss the three elements of economic way of thinking. Explain how they are applied in problem solving using a case study.
2. a) Explain the law of supply. (2+6+8+4)  
b) What are the determinants of supply?  
c) What happens to the supply curve when each of these determinants changes?  
d) Distinguish between a change in supply and a change in the quantity supplied, noting the cause(s) of each.
3. Explain the concept of price elasticity of demand and the relationship between price elasticity and total revenue of the firm.
4. Explain consumer's equilibrium using indifference curve analysis.
5. Explain why short-run average cost curves are U shaped.
6. Distinguish between perfect competition and monopoly.
7. Write short notes on the following: - (5\*4)
  - a) Cross elasticity of demand
  - b) Price discrimination
  - c) Budget line
  - d) Law of demand

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