

Indian Maritime University

(A Central University, Govt of India)

Mar/Apr'26 SE

Programme Name: BBA (ML)

Semester: I

Subject Code: UG32T2103

Subject Name: ELEMENTS OF ECONOMICS

Date: 06-03-2026

Max Marks: 70

Duration: 03 Hrs

Pass Marks: 35

General Instructions

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

Section A

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

- Microeconomics deals with:
A) National income and employment B) Aggregate demand and supply
C) Individual consumers and firms D) Economic growth and development
- If a shipping company doubles all its inputs and output also doubles, it experiences:
A) Increasing returns to scale B) Constant returns to scale
C) Decreasing returns to scale D) Diminishing returns
- If selling price per unit is ₹50, variable cost per unit is ₹30, and fixed cost is ₹4,000, break-even output is:
A) 100 units B) 150 units C) 200 units D) 250 units
- Which of the following markets has only two sellers?
A). Oligopoly B). Monopoly
C) Duopoly D) Perfect competition
- A firm under monopoly can influence:
A) Only price B) Only demand
C) Both price and output D) Neither price nor output
- 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. HDI considers which three main indicators?

A) Health, Education, Income	B) GDP, GNP, NNP
C) Savings, Investment, Export	D) Employment, Inflation, Trade
8. Which of the following is a method of measuring national income?

A) Income Method	B) Expenditure Method
C) Production/Output Method	D) All of the above
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. Distinguish between elastic and inelastic demand?
12. What are Economies of Scale?
13. Why is the demand curve under monopoly downward sloping?
14. Mention two limitations of GDP as a measure of welfare?
15. Explain the concept of Demand-Pull Inflation with a suitable example.

Section - C

Answer any five questions

(10 X 05= 50Mark)

16. Define opportunity cost. How does it help in economic decision-making?
17. Explain the concept of opportunity cost and its role in maritime business decisions?
18. Define and explain the different types of costs in production?
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. Discuss the importance and limitations of GDP?
22. Evaluate why HDI is considered a better measure of development than GDP?
