

(Pages : 3)

M – 3628

Reg. No. :

Name :

First Semester B.A. Degree Examination, February 2022

First Degree Programme under CSS

SDE

Economics

Complementary Course — I (for History and Political Science)

EC 1131 : FOUNDATIONS OF ECONOMIC THEORY

(2017 Admission Onwards)

Time : 3 Hours

Max. Marks : 80

SECTION – I

Answer **all** questions. **Each** question carries **1** mark.

1. Normative Economics
2. Marginal Utility
3. Wealth Definition
4. Division of labour
5. Fixed cost
6. Opportunity cost
7. Equilibrium

P.T.O.

8. Giffen goods
9. Law of supply
10. Market.

(10 × 1 = 10 Marks)

SECTION – II

Answer any **eight** questions not exceeding one paragraph. **Each** question carries **2** marks.

11. What are the major determinants of demand?
12. Write a note on the Scarcity definition of economics.
13. What is meant by extension and contraction of demand?
14. Explain the degrees of elasticity of demand.
15. Distinguish between complementary goods and substitute goods.
16. What are the assumptions of cardinal utility theory?
17. What are the assumptions of the law of diminishing marginal utility?
18. What is meant by Engel's Law?
19. What is meant by break even approach?
20. Differentiate between explicit cost and implicit cost.
21. Explain the relationship between AC and MC.
22. Why the Long run average cost curve L shaped.

(8 × 2 = 16 Marks)

SECTION – III

Answer any **six** questions not exceeding **120** words. **Each** question carries **4** marks.

23. Explain the central problems of an economy.
24. Explain Marshallian method of Consumer surplus.
25. Critically examine Gossen's first law of Marginal Utility.

26. Explain the various types of production function.
27. Describe Production Possibility Curve. Explain its significance in economic analysis.
28. What are the features of Monopolistic Competition?
29. Explain the characteristics of oligopoly market structure.
30. Describe the relationship between AR, MR and elasticity of demand.
31. Critically examine subsistence theory of wages.

(6 × 4 = 24 Marks)

SECTION – IV

Answer any **two** questions not exceeding **four** pages. **Each** question carries **15** marks.

32. Explain laws of returns to Scale.
33. Describe short run costs of traditional theory.
34. Explain the nature, scope and significance of economics.
35. Explain how perfect competition is different from monopoly market situation.

(2 × 15 = 30 Marks)