

(Pages : 3)

L – 3015

Reg. No. :

Name :

Second Semester B.A. Degree Examination, May 2021

First Degree Programme under CSS

SDE

Economics

Core Course – II

EC 1241 : MICRO ECONOMICS – I

(2017 Admission Onwards)

Time : 3 Hours

Max. Marks : 80

SECTION – I

Answer in **one** or **two** sentences (Attempt **all** questions).

1. Positive Economics
2. Capitalism
3. Market supply
4. Indifference curve
5. Price consumption curve
6. Isocost line
7. Equilibrium price

P.T.O.

8. Price effect
9. Ordinal utility
10. MRTS

(10 × 1 = 10 Marks)

SECTION – II

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

11. Distinguish between micro and macro economics.
12. Why is cost curve 'U' shaped?
13. What are the characteristics of mixed economy?
14. Define budget line.
15. Explain the term arc elasticity.
16. What is demand forecasting?
17. Explain the properties of isoquant.
18. Distinguish between implicit cost and explicit cost.
19. What causes production possibility curve shift outward?
20. Differentiate between demand curve and demand schedule.
21. Define the term expansion path.
22. What is marginal cost?

(8 × 2 = 16 Marks)

SECTION – III

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

23. Examine the role of price mechanism in a socialist economy.
24. Why does the demand curve slope downward to the right?

25. Distinguish between income elasticity of demand and cross elasticity of demand.
26. Examine Hicksian method of measuring consumers' surplus.
27. Briefly explain income and substitution effect.
28. State the important applications of law diminishing marginal utility.
29. Discuss the relationship between total product, average product and marginal product.
30. Explain different concepts of costs.
31. Distinguish between short run and long run production function.

(6 × 4 = 24 Marks)

SECTION – IV

Answer any **two** questions not exceeding **4** pages. Each question carries **15** marks.

32. Discuss central problems of an economy and its solution in different economies
33. Explain the methods of measuring price elasticity of demand.
34. 'Choice reveals preference'. Explain the revealed preference theory of consumer behavior.
35. What do you mean by returns to scale? Discuss the most important types of returns to scale in production.

(2 × 15 = 30 Marks)