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Reg. No. : 15011821000207

Name : .....

Second Semester B.A. Degree Examination, May 2020

First Degree Programme under CBCSS

Economics

Core Course II

EC 1241 – MICRO ECONOMICS I

(2015-18 Admissions)

Time : 3 Hours Max. Marks : 80

SECTION – I

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

1. Opportunity Cost
2. Income effect
3. Mixed Economy
4. Iso- cost line
5. PPC
6. Law of demand
7. MRS
8. Law of supply

P.T.O.

9. Production function

10. Marginal Cost

(10 × 1 = 10 Marks)

SECTION – II

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

11. Distinguish between Micro Economics and Macro Economics.

12. Short run Average Cost Curves are U shaped. Why?

13. Explain income elasticity of demand.

14. What do you mean by demand forecasting?

15. Explain Consumer surplus

16. What are internal economies of scale?

17. Why demand curve slopes downward?

18. Explain Engel curve.

19. Distinguish between Returns to scale and returns to a factor.

20. Explain Cobb- Douglas Production function

21. Write a note on MRTS.

22. Explain cross elasticity of demand.

(8 × 2 = 16 Marks)

SECTION – III

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

23. Explain the law of Returns to Scale? Give the causes of increasing returns to scale.

24. State and explain the law of Equi- marginal utility? How does it explain consumer equilibrium?

25. What are the properties of Indifference curve?

26. Exemplify the different methods of demand forecasting.

27. Discuss the Revealed Preference theory of consumer behaviour.

28. Explain Producers equilibrium by using Isoquant and Iso-cost line.

29. Elucidate the basic problems of an economic system.

30. Explain the relationship between Averaged Cost Curve and marginal Cost Curve.

31. Distinguish between cardinal and ordinal measurement of utility.

(6 × 4 = 24 Marks)

SECTION – IV

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

32. Show graphically the substitution effect and the real income effect by Slutsky.

33. Explain consumer equilibrium by using Indifference curve analysis

34. State and explain the Law of Diminishing Returns. Show graphically the stages of production in the short run.

35. Explain the traditional theory of cost.

(2 × 15 = 30 Marks)