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Second Semester B.A. Degree Examination, December 2021

First Degree Programme under CBCSS

Economics

Core Course II

EC 1241: MICRO ECONOMICS I

(2015 – 2018 Admission)

Time : 3 Hours Max. Marks : 80

SECTION – I

Answer in **one** or **two** sentences. Attempt **all** questions. **Each** question carries **1** mark.

1. Budget line
2. Ordinal utility
3. Price elasticity of supply
4. Prime cost
5. Isoquant
6. Price mechanism
7. Income effect
8. MRTS
9. Marginal Cost
10. Planning curve

(10 × 1 = 10 Marks)

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SECTION – II

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

11. Define Opportunity cost.

12. Explain Income elasticity of demand

13. What are the methods of demand forecasting?

14. Explain the basic problems of an Economic system.

15. Explain returns to scale.

16. Define Law of demand.

17. Explain income consumption curve.

18. What you mean by Equi-marginal utility principle?

19. Distinguish between implicit cost and explicit cost.

20. Give the reason for convexity of indifference curve.

21. What is iso – cost line?

22. Explain production function.

(8 × 2 = 16 Marks)

SECTION – III

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

23. What are the properties of Isoquant?

24. State and explain the law of variable proportion?

25. Explain Production Possibility Curve. Why is it concave to the origin?

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26. Explain Price elasticity of demand. What are the factors which determine price elasticity of demand?

27. Explain Consumer's equilibrium by using indifference curve and budget line.

28. Empirical studies found that Long run average cost curve is L- shaped. How would you explain it?

29. Explain the relationship between Average Product and Marginal Product.

30. Distinguish between cardinal and ordinal measurement of utility.

31. Explain Cobb - Douglas Production function.

(6 × 4 = 24 Marks)

SECTION – IV

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

32. Critically evaluate Revealed Preference theory of Consumer behaviour.

33. What is Price effect? Bifurcate price effect into substitution effect and income effect based on Hicksian Approach.

34. Explain Economies of Scale. Discuss in detail internal and external economies and diseconomies of scale.

35. Distinguish between inferior good and Giffen good with the help of indifference curve analysis of demand.

(2 × 15 = 30 Marks)

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