D1BEC1801 (S4)   (PAGES 2)   Reg.No.............................

Name: ....

FIRST SEMESTER BA DEGREE EXAMINATION, NOVEMBER 2022
(Supplementary- 2018 Admission)
ECONOMICS
AECO1B01T: MICRO ECONOMICS -1

Time: 3 Hours   Maximum Marks: 80

PART A: Answer *all* the questions. Each carries ½ Marks

1. When total utility is maximum, marginal utility will be:

   a) Maximum.   b) Negative.   c) Zero.   d) Increasing.

2. 'Choice reveals preference'. This statement is by:

   a) J.R.Hicks.   b) P.A.Samuelson.   c) Karl Marx.   d) J.M.Keynes.

3. Linearly homogeneous production function implies:

   a) Increasing returns to scale.   b) Decreasing returns to scale.

   c) Constant returns to scale.   d) All of the above.

4. Which method helps draw inferences from general to particular?

   a) Deduction.   b) Induction.   c) Both a & b   d) None.

5. The fundamental problem faced by an economy is one of:

   a) Exchange.   b) Decision making by the government.

   c) Economic welfare.   d) Scarcity of resources and multiplicity of wants.

6. When the price of a substitute of commodity X falls, the demand for X:

   a) Rises.   b) Falls.   c) Remains unchanged.   d) None of the above.

7. Which one of the following leads to an upward shift in demand curve?

   a) A fall in the price of the commodity.   b) An increase in consumer's income.

   c) A decrease in consumer's income.   d) None of the above.

8. Envelop curve is:

   a) Long run marginal cost curve.   b) Long run average cost curve.

   c) Long run total cost curve.   d) Short run average cost curve.

9. The short run production function is:

   a) Returns to scale.   b) Production possibility curve.

   c) Law of variable proportion.   d) Revealed preference theory.

10. Wages and payment to raw material by a firm is called:

    a) Opportunity cost.   b) Explicit cost.   c) Implicit cost.   d) Fixed cost.

11. The prices of factors of production are represented by:

    a) Iso cost line.   b) Budget line.   c) Expansion path.   d) Demand curve.

12. The demand curve for an inferior good is:

    a) Upward sloping.   b) Downward sloping.   c) Rectangular hyperbola.   d) Horizontal.

(12 x ½ = 6 Marks)

(PTO)

PART B: Answer any ten questions. Each carries 2 marks.

13. Explain value judgement.
14. What do you mean by comparative statics?
15. Briefly explain Engel curve.
16. Define economic cost.
17. Explain expansion path.
18. What is ridge line?
19. Distinguish between cardinal and ordinal utility.
20. What is arc elasticity of demand?
21. Explain change in demand.
22. What are the major functions of price?
23. Define substitution effect.
24. Define opportunity cost.

(10 x 2 = 20Marks)

PART C: Answer any six questions. Each carries 5 marks.

25. Explain the law of demand and determinants of demand.
26. Discuss the properties of Cobb Douglas production function.
27. Explain consumer's equilibrium based on cardinal utility approach.
28. Distinguish between strong ordering and weak ordering.
29. Explain circular flow of economic activity.
30. Compare and contrast normative and positive economics.
31. Explain the relationship between AC and MC.
32. State and illustrate the law of diminishing returns.

(6 x 5 = 30 Marks)

PART D: Answer any two questions. Each carries 12 marks

33. Define elasticity of demand? What are the different methods of measuring price elasticity of demand?
34. Explain short run and long run production function.
35. Discuss the methodology of Micro economics.
36. Analyse the equilibrium of a consumer with the help of indifference curve technique.

(2 x 12 = 24 Marks)