D1BEC2301 (PAGES 2) **Reg.No.....**

Name: .....

FIRST SEMESTER BA DEGREE EXAMINATION, NOVEMBER 2023
(Regular/Improvement/Supplementary)

ECONOMICS
GECO1B01T: MICRO ECONOMICS - I

Time: 2 ½ Hours **Maximum Marks: 80**

SECTION A: Answer the following questions. Each carries *two* marks.

(Ceiling 25 Marks)

1. What is normative economics?
2. Define PPC.
3. What is inductive method?
4. What is meant by value judgment?
5. What is Negative network?
6. How theelasticity is measured under ARC method?
7. What is average cost?
8. Explain Stable Equilibrium.
9. What is demand forecasting?
10. Define Average Utility.
11. Explain Choke Price.
12. What is Substitution effect?
13. Explain increasing returns to scale.
14. What is 'pecuniary economies'?
15. What is 'load factor'?

SECTION B: Answer the following questions. Each carries *five* marks.

(Ceiling 35 Marks)

16. Distinguish between micro and macro economics.
17. What are the causes of economic problem?
18. Income-Consumption Curve and Engel Curve. Explain with the help of diagram.
19. Marginal utility of goods X and Y obtained by a consumer is given in the table below. Find out the optimal combination of goods when Px = Rs.5 and Py = 2.

No of unit consumed	MUx(Utils)	MUy(Utils)
1	30	20
2	25	18
3	20	16
4	15	14
5	10	12
6	5	10
7	1	8

(PTO)

20. Why MRTS falls as one move down along an iso-quant?
21. Describe Linear Homogeneous production function.
22. Distinguish between economic cost and accounting cost.
23. LAC curve is also known as envelope curve. Explain.

SECTION C: Answer any *two* questions. Each carries *ten* marks.

24. Briefly explain the law of demand and the exceptions to the law of Demand.
25. Hicksian method of measuring consumer surplus with the technique indifference curve technique is regarded as superior to the Marshallian method. Explain.
26. Graphically and algebraically explain the marginal and average productivity of labour.
27. Explain the derivation of long-run average cost curve.

(2 x 10 = 20 Marks)