

FIRST SEMESTER FYUGP EXAMINATION NOVEMBER 2024**MAJOR****BIB1CJ103 PRINCIPLES OF MICRO ECONOMICS****Time : 2 Hrs**

BL : Bloom's Taxonomy Level (1 to 6)

CO : Course Outcome

Maximum Marks : 70

Section A					Ceiling Marks : 24
Answer all questions. Each carries 3 marks.					
No.	Question	M	BL	CO	
1.	Explain the concept of opportunity cost.	3	1	CO1	
2.	Explain the concept of partial elasticity.	3	3	CO2	
3.	Give an example of a negative externality.	3	1	CO1	
4.	What are externalities?	3	4	CO3	
5.	What is ordinal utility?	3	1	CO1	
6.	Define the law of diminishing marginal rate of substitution.	3	3	CO2	
7.	What is an expansion path in production?	3	4	CO3	
8.	What is total revenue?	3	1	CO1	
9.	What is meant by cost minimization?	3	3	CO2	
10.	What are the key features of monopolistic competition?	3	1	CO1	
Section B					Ceiling Marks : 36
Answer all questions. Each question carries 6 marks.					
No.	Question	M	BL	CO	
11.	Examine the income elasticity in the study of demand.	6	4	CO1 CO3	
12.	Discuss the role of government intervention in correcting market inefficiencies caused by externalities.	6	5	CO5	
13.	Draw and explain the properties of indifference curves.	6	3	CO1 CO2	
14.	Define consumer equilibrium and explain how a consumer reaches it.	6	2	CO1	
15.	Analyze the decomposition of the price effect into income and substitution effects using the Hicksian method.	6	4	CO4	
16.	Explain the relationship between total revenue, average revenue, and marginal revenue.	6	2	CO1	
17.	Define perfect competition and describe its key characteristics.	6	2	CO1	
18.	How does price discrimination allow monopolies to increase profits?	6	4	CO3	
Section c					
Answer any 1 question. Each carries 10 marks. (1x10=10 marks)					
No.	Question	M	BL	CO	
19.	Describe the law of variable proportions and illustrate it with a diagram. How does it affect production decisions?	10	5	CO1 CO5	
20.	Explain the kinked demand model. How does it illustrate price rigidity in oligopolistic markets?	10	4	CO4 CO5	