

D1BEC2301 (S1)

Reg. No.....

Name:

**FIRST SEMESTER BA DEGREE EXAMINATION, NOVEMBER 2024
(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 demand forecasting?
2. Write a short note on diminishing marginal utility.
3. Distinguish between explicit cost and implicit cost.
4. Write a short note on law of supply.
5. Distinguish between short run and long run production function.
6. What is consumer's equilibrium?
7. What is sunk cost? Provide an example.
8. Mention the role of value judgment in Economics.
9. State the relationship between TP, AP and MP.
10. Distinguish between deductive method and inductive method.
11. Define unitary elasticity of demand.
12. Write a short note on modern theory of cost.
13. What is expansion path?
14. Comment on the central problems of an economy.
15. What is budget line?

**SECTION B: Answer the following questions. Each carries *five* marks.
(Ceiling 35 marks)**

16. Define opportunity cost and explain its significance in the context of resource allocation.
17. Discuss the concept of consumer surplus.
18. Explain the distinction between positive and normative economics.
19. Differentiate between economic costs and accounting costs. Why is it important for a firm to consider both when making business decisions?

(PTO)

20. Describe the concept of internal and external economies of scale.
21. Explain the properties of Cobb-Douglas production Function.
22. Examine the role of the equilibrium price and quantity in a market. How do changes in consumer preferences or production costs impact market equilibrium?
23. Differentiate between the cardinal and ordinal approaches to utility analysis.

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

24. Analyze the effects of changes in price, income, and substitution on consumer behavior. Discuss the decomposition of the price effect into income effect and substitution effect using both Hicksian and Slutsky's methods.
25. Analyze the Law of Variable Proportions and its significance in production theory.
26. Examine the evolution of economic thought by analyzing the concepts of wealth, welfare, scarcity, and growth.
27. Explain the concept of elasticity of demand. Compare and contrast price elasticity, income elasticity, and cross elasticity of demand, and discuss the factors that influence each type.

(2 x 10 = 20 Marks)