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SECOND SEMESTER UG DEGREE EXAMINATION, APRIL 2024
(Regular/Improvement/Supplementary)
BBA HONOURS
GBAH2B06T: PRINCIPLES OF MICRO ECONOMICS

Time: 3 Hours Maximum Marks: 80

PART A: Answer *all* the questions. Each carries *one* mark.

Choose the correct answer.

1. When an individual's income rises (while everything else remains the same), that person's demand for a normal good:

    a) Rises. b) Falls. c) Remains the same. d) Any of the above.

2. The term *ceteris paribus* means:

    a) When other things all change. b) Equal access to goods.

    c) Other things being equal. d) For better or worse.

3. In a straight-line demand curve, cutting both the axis the elasticity at the id point is............

    a) One. b) Less than one. c) More than one. d) Zero.

4. A consumer who is below the personal budget line.

    a) is not spending all personal income. b) is spending all personal income.

    c) may or may not be spending all personal income. d) is in equilibrium.

5. Indifference curve is..........................

    a) Concave shaped. b) Convex shaped. c) Straight parallel line. d) Horizontal shaped.

Fill in the Blanks.

6. The slop of production possibility frontier is _____

7. In the case of normal goods the demand curves slopes _____

8. Two indifference curves will never _____

9. When the gap between successive isoquants are same we have _____

10. If there is no close substitute for a product, that market is called _____

(10 x 1 = 10 Marks)

(PTO)

PART B: Answer any *eight* questions. Each carries *two* marks.

11. What is an ordinal utility?

12. Distinguish short run and long run in the production process.

13. What is cross elasticity?

14. Define the market demand.

15. What is consumer surplus?

16. Discuss two important features of perfect competition.

17. What is the opportunity cost?

18. Which are the two approaches to consumer demand analysis?

19. What is the demand function?

20. Define price effect.

(8 x 2 = 16 Marks)

PART C: Answer any *six* questions. Each carries *four* marks.

21. What are the central problems of an economy?

22. Explain the relationship between AC and MC.

23. Define the law of demand. What are the exceptions to the law of demand?

24. Explain discriminatory monopoly.

25. What is an indifference curve and what are its features?

26. How Hicks decomposed total price effect into substitution effect and income effect?

27. What is meant by income elasticity of demand?

28. What is the marginal rate of substitution and explain its nature?

(6 x 4 = 24 Marks)

PART D: Answer any *two* questions. Each carries *fifteen* marks.

29. Discuss the ten principles of economics.

30. Explain the different stages of the law of variable proportions with suitable examples.

31. What are the main features of monopolistic competition? Explain equilibrium conditions under monopolistic competition.

(2 x 15 = 30 Marks)