



Reg. No. :

Name :

I Semester B.A. Degree (C.C.S.S.-Supple.) Examination, November 2017
CORE COURSE IN ECONOMICS
1B01 ECO : Micro Economic Analysis – I
(2009-2011 Admns.)

Time : 3 Hours

Weightage : 30

PART – A

Objective type questions (in bunches of two).

Choose the correct answer.

- The slope of the production possibility curve is
 - Marginal rate of substitution
 - Marginal rate of transformation
 - Diminishing marginal utility
 - None of these
- The concept of consumer surplus was originally introduced by
 - Slutsky
 - Hicks
 - Dupuit
 - Samuelson
- A market with one buyer and one seller
 - Monopoly
 - Bilateral monopoly
 - Duopoly
 - Oligopoly
- Break-even point is the point at which
 - $MC = MR$
 - $TC = TR$
 - $AR = MR$
 - $AVC = MC$

(Weightage 1)
- Cobb Douglas production function shows
 - Increasing returns
 - Diminishing returns
 - Constant returns
 - All of these
- The horizontal demand curve parallel to X axis implies that the elasticity of demand is
 - Zero
 - Infinite
 - Equal to one
 - Greater than one but less than infinity



7. In the short run, when the output of a firm increases, its average fixed cost
- | | |
|---------------------|-----------------------------------|
| a) Remains constant | b) Decreases |
| c) Increases | d) First decreases and then rises |
8. The cost of one thing in terms of the alternative given up is called
- | | |
|------------------|---------------------|
| a) Real cost | b) Production cost |
| c) Physical cost | d) Opportunity cost |
- (Weightage 1)**

PART - B

Short answer questions. Answer **any 10** questions of the following **not** exceeding **50 words each**. **Each** question carries **1** weightage.

9. Market equilibrium.
10. Economic model.
11. Static equilibrium.
12. Utility.
13. Monopoly.
14. MRS.
15. Cross elasticity of demand.
16. Production function.
17. Isoquant.
18. Envelop curve.
19. Ridge line.
20. Price consumption curve.

PART - C

Short essay. Answer **any five** questions **not** exceeding **150 words each**. **Each** question carries **2** weightage.

21. Features of perfect competition.
22. Distinguish between static and dynamic equilibrium.



23. Examine the properties of indifference curve.
24. Explain the concept of consumer surplus.
25. Explain price elasticity of demand. Examine its various types.
26. Examine the Cobb-Douglas production function.
27. Examine the linear expenditure system.

PART - D

Answer **any two** questions **not** exceeding **450 words**. **Each** question carries **4** weightage.

28. Critically examine the diminishing marginal utility theory.
29. Examine the law of variable proportion.
30. Explain the revealed preference hypothesis of consumer behaviour.
31. Examine the traditional theory of cost.