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Reg. No. : .....

Name : .....



K19U 3133

I Semester B.A Degree (CBCSS-Supplementary / Improvement)  
Examination, November - 2019  
(2014-2018 Admissions)  
CORE COURSE IN ECONOMICS / DEVELOPMENT ECONOMICS  
1B01 ECO : MICRO ECONOMIC ANALYSIS-I

Time : 3 Hours

Max. Marks : 40

**PART-A**

Answer All questions (Each question carries 1 mark) (4x1=4)

1. What do you mean by rational behaviour in economics?
2. How do you define the concept 'utility'?
3. What is meant by price elasticity of demand?
4. Define a firm.

**PART-B**

Answer any seven questions (Each question carries 2 marks)  
(7x2=14)

5. What is Marginal Revenue?
6. What do you mean by opportunity cost?
7. Briefly explain the concept of water-diamond paradox.
8. Explain the concepts of price ceilings and floor price?
9. Why do we study elasticity of demand in economics?
10. How do we get an expansion path in production theory?
11. State and explain the Slutsky's theorem.

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12. Write a note on the partial equilibrium analysis.
13. What is meant by monopoly power?
14. What is the role of government in the economy?

### PART-C

**Answer any 4 questions (Each question carries 3 marks) (4x3=12)**

15. Distinguish between demand and supply?
16. Distinguish between cardinal and ordinal utility approaches to consumer behaviour.
17. Draw an individual and a market demand curve. How marginal utility theorem did explains the downward slope a demand curve.
18. Define economics. Why the study of microeconomics is important?
19. State the definition and draw an indifference curve. State its properties.
20. What do you mean by the laws of returns? Explain each returns to scale.

### PART-D

**Answer any 2 questions (Each question carries 5 marks) (2x5=10)**

21. Why do central problems arise? Explain the relevance of the concepts scarcity and choice? How do you relate opportunity cost with choice?
  22. How do the substitution effect and the income effect affect the demand curve? Explain with the help of a suitable diagram.
  23. Distinguish between movement along a demand a curve and a shift in demand curve, Explain with the help of suitable diagrams.
  24. Why did Marshal relate law of diminishing returns to agriculture?
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