

20U140S

(Pages: 2)

Name

Reg. No

FIRST SEMESTER B.A. DEGREE EXAMINATION, NOVEMBER 2020

(CUCBCSS-UG)

CC15U ECO1 B01 - MICRO ECONOMICS – 1

(Economics – Core Course)

(2015 to 2018 Admissions - Supplementary)

Time: Three Hours

Maximum: 80 Marks

Section A (Objective Type)

Answer *all* questions. each question carries ½ mark.

Multiple Choice:

- The slope of an indifference curve is called:
a) MRTS b) Utility c) Price d) MRS
- If the good is not inferior, more will be demanded at a:
a) Higher price b) Higher income c) Lower income d) Changing prices
- Change in the demand of a commodity due to change in the price of the substitute is an example of
- When the TP falls
a) APL is zero b) MPL is zero c) APL is negative d) APL is declining
- The LAC curve is tangent to the lowest point on the SAC curves when the LAC curve is
a) Falling always b) Falling never c) Falling sometimes d) Cannot say
- Increase in demand for wages due to industrial development is an example of
a) Income demand b) Cross demand
c) Derived demand d) competitive demand

Fill in the Blanks:

- In the modern theory, average variable cost is the shape of
- When an individual's income falls, demand for an inferior good
- Cardinal utility theory assumes that marginal utility of money is
- The elasticity of substitution for Cobb-Douglas production function is
- The curve showing the relationship between income and commodity.....
- The time period when all factors of production are variable

(12 x ½ = 6 Marks)

Section B (Very Short Answer Type)

Answer any *ten* questions. Each question carries 2 marks.

- What is consumer's equilibrium?

14. Define marginal utility
15. What is an expansion path?
16. Define Kinked Isoquant.
17. What is demand schedule?
18. What is budget line?
19. Define indifference curve.
20. Differentiate between substitute and complementary goods.
21. Define ridge lines.
22. What do you mean by Isoclines?
23. Distinguish between contraction and decrease in supply.
24. Define Giffen Paradox.

(10 x 2 = 20 Marks)

Section C (Short Answer Type)

Answer any *six* questions. Each question carries 5 marks.

25. Explain the properties of Isoquant.
26. Why the short run AC curve is U shaped?
27. What you mean by expansion path? Illustrate with help of a diagram.
28. Explain the relationships of TR, M R and AR with the help of a diagram.
29. What are the reasons for decreasing returns to scale?
30. Explain the least-cost output combination with help of a diagram.
31. Define the law of diminishing marginal utility. Explain the important assumptions of the law.
32. Explain the scope of micro economics.

(6 x 5 = 30 Marks)

Section D (Essay Type Questions.)

Answer any *two* questions. Each question carries 12 marks.

33. Define price elasticity of demand. What are the different types of price elasticity? How would you measure elasticity of demand?
34. Explain how the indifference curves are used for the different fields in the economic studies
35. What are the different phases in behavior of TP in the law of variable proportion? Give reasons behind behavior in each phase with the help of diagram
36. Compare Hicks and Slutsky approach to the measurement of income and substitution effect

(2 x 12 = 24 Marks)
