

**19U137**

(Pages: 2)

Name: .....

Reg. No.....

**FIRST SEMESTER B.A. DEGREE EXAMINATION, NOVEMBER 2019**

(CBCSS UG)

**CC19U ECO1 B01 – MICRO ECONOMICS**

(Economics - Core Course)

(2019 Admission Regular)

Time: 2½ Hours

Maximum: 80 Marks

Credit: 5

**Section A (Short Answer Questions)**

Each question carries 2 marks.

1. What is an Economic model?
2. Difference between deductive and inductive methods.
3. Explain cross elasticity of demand.
4. Dependent and Independent Variable.
5. Illustrate Ridgeline.
6. What do you mean by Giffen good?
7. Describe Production Function.
8. Explain the concept of budget line.
9. Define Market price and Normal price.
10. Explain Indifference Curve.
11. What is Expansion Path?
12. Distinguish between Private cost and Social cost.
13. What do you mean by Marginal rate of technical substitution?
14. Explain Opportunity cost.
15. What is Price Discrimination?

**(Ceiling 25 Marks)**

**Section B (Short Essay Questions)**

Each question carries 5 marks.

16. Elucidate Marshallian method of measuring consumer's surplus.
17. Explain the law of variable proportions.
18. Explain Cobb-Douglas production function.
19. Explain the methods of measuring price elasticity of Demand.
20. Explain consumer equilibrium under cardinal utility theory.
21. Distinguish between Micro economics and Macroeconomics.

22. What do you mean by Diseconomies of scale?
23. Explain and illustrate envelope curve.

**(Ceiling 35 Marks)**

**Section C (Long Essay Questions)**

Answer any *two* questions. Each question carries 10 marks.

24. State the producer's equilibrium with the help of isoquant curves.
25. Describe the traditional theory of cost with graphical explanation.
26. Examine the decomposition of price effect into income effect and Substitution effect for normal good using Hicksian method.
27. Elucidate the theory of revealed preference and state its superiority over other demand theories.

**(2 x 10 = 20 Marks)**

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