

Name: .....

Reg. No.....

FIRST SEMESTER DEGREE EXTERNAL EXAMINATION DECEMBER/JANUARY 2015 -16  
(2015 Admission)

CC15UECO1B01–MICRO ECONOMICS (core)

Time: Three hours

Maximum : 80 Marks

Section A

*Objective Type Questions.*

*Answer all twelve questions*

(12 \* ½ =6)

1. Consumer surplus is highest in case of...  
A).Necessities      B). luxuries      C).Comforts      D). Conventional necessities
2. The Eng el Curve for a Giffen Goods is .....  
A).positively sloped B) negatively sloped      C) vertical to axis      D)horizontal to axis
3. Unitary elasticity of demand is .....  
A)0      B) 1      C)greater than 0      D) greater than 1
4. Input –Output Isoquont is also called?  
A)Convex isoquont B)Kinked isoquont      C)Engineering Isoquont      D) Leontieff Isoquont
5. Cross elasticity of demand between two perfect substitutes will be.....  
A)infinite      B)high      C) negative      D)zero
6. A producer attains least cost combination where.....  
A) MRTS for X and Y is equal to price of Y      B)MRTS =Px.Py      C) MRTS= the ratio of price of X and Y      D) MRTS = Price of X

**Fill In the blanks:**

7. An indifference curve is always.....to orgin
8. After an annual increment of Rs.200 , price line AB will be.....
9. In cob Douglas function the elasticity of substitution is always.....
10. The term Revealed Preference theory was introduced in the book.....
11. Suppose your income increases by 20% and demand for a commodity increases by 10%. Then the income elasticity of demand is.....
12. In long run ..... factor of production is fixed

Section B

*Very Short Answer Type Questions.*

*Answer any ten questions not exceeding one paragraph*

(10 \* 2 = 20)

13. Distinguish between Point and arc methods.
14. Differentiate between positive and normative analysis

15. Explain the law of Demand
16. Define Substitutes.
17. What is meant by utility?
18. State MRS.
19. Define price effect.
20. Explain Engel curve
21. What is inferior good?
22. Define consumer surplus
23. Distinguish between cardinal and ordinal utility.
24. Explain Isocost line.

### Section C

#### *Short Answer Type Questions.*

*Answer any six questions not exceeding one page*

(6 \*5=30)

25. Explain the changes in demand. illustrate
26. What are the properties of isoquant curves.
27. State various factors determining price elasticity of demand.
28. Distinguish between substitution and income effect.
29. Explain the MRTS.
30. Explain the Producers equilibrium.
31. Write a short note on market equilibrium .Explain it graphically.
32. Explain the interrelationships between Average , Marginal and Total Product.

### Section D

#### *Essay Type Questions.*

*Answer any two questions not exceeding three pages*

(2\*12=24)

33. State and Explain the various methods of measuring elasticity of demand . Illustrate
34. Explain the equilibrium of the consumer under cardinal utility analysis.
35. Critically evaluate the behaviouristic approach to demand theory propounded by Pa Samuelson.
36. State returns to Scale: Long run analysis of production function graphically.

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