

C 43567

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Name.....

Reg. No.....

**FIRST SEMESTER B.A. DEGREE EXAMINATION
JULY 2013**

(CCSS)

Economics

EC 1B 01 – MICROECONOMICS – I

Time : Three Hours

Maximum : 30 Weightage

I. Objective type questions. Answer all *twelve* questions :

A. Multiple choice questions :

1. Which of the following has slope equal to MRTSLK?

- (a) Indifference curve.
- (b) Equal product curve.
- (c) Isorevenue curve.
- (d) Marginal product curve.

2. Which of the following methods is applied in Indifference Curve Analysis?

- (a) Cardinalist introspection.
- (b) Ordinalist introspection.
- (c) Behaviourist introspection.
- (d) All of the above.

3. Who wrote "Economic Theory and Operations Analysis"?

- (a) J.R. Hicks.
- (b) Joseph Schumpeter.
- (c) William J. Baumol
- (d) Amartya Sen.

4. Which of the following is not a postulate of Revealed Preference Theory?

- (a) Choice reveals preference.
- (b) Transitivity.
- (c) Certainty.
- (d) Cardinal utility.

B. Fill in the blanks :

- 5. Absence of double coincidence of wants is a problem of _____ economy.
- 6. The concept of Quasi Rent was invented by _____.
- 7. Veblen Effect is a possible exception to the Law of _____.
- 8. Average Fixed Cost Curve is a _____ both in traditional modern theories.

C. Name the following :

- 9. What is called for change in total utility (∂U) with respect to a given change in quantity of X good (∂X)?
- 10. What is the marginal condition of consumer's equilibrium in Indifference Curve Analysis?

Turn over

11. What is called for the difference between the amount consumer is willing to pay and the amount he actually pays for a good?
12. What is the common name used for the inferior goods which have positively sloped demand curve?

(12 × ¼ = 3 weightage)

II. Short Answer Type Questions. Answer all *nine* questions :

13. Define the Law of Substitution.
14. What is meant by unitary elastic demand?
15. What is meant by contraction in demand?
16. Define marginal product of capital.
17. What is breakeven point?
18. What is meant by externality in production?
19. What are ridge lines in production theory?
20. What is meant by 'envelop curve' in cost theory?
21. Define Marginal Rate of Product Transformation (MRPT).

(9 × 1 = 9 weightage)

III. Short Essay or Paragraph Questions. Answer any *five* questions from seven :

22. Distinguish between cardinal and ordinal utility approaches in consumer theory.
23. Briefly explain short run cost concepts of traditional theory.
24. State the superiority of Hicksian Indifference Curve Analysis over Law of Diminishing Marginal Utility and Equi-marginal Utility Principle.
25. Explain the role of assumptions and predictions in economic models.
26. Briefly explain the role of price mechanism in resource allocation.
27. Distinguish between the Law of Diminishing Returns and the Law of Decreasing Returns to Scale.
28. Explain the important types of Isoquants.

(5 × 2 = 10 weightage)

IV. Essay Questions. Answer any *two* questions from three :

29. Explain the Properties of Neoclassical Isoquants.
30. Illustrate the equilibrium of consumer through indifference curve approach.
31. Apply long run total cost and revenue curves (traditional approach), show the breakeven point, derive the profit curve from TR and TC curves and find out the profit maximising level of output.

(2 × 4 = 8 weightage)