

D 52809

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Name.....

Reg. No.....

FIRST SEMESTER B.A. DEGREE EXAMINATION, NOVEMBER 2018

(CUCBCSS-UG)

Core Course—Economics

MICROECONOMICS—I

(Common for Development Economics, Foreign Trade and Economics
with Islamic Finance)

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A

Answer all twelve questions.

Each question carries $\frac{1}{2}$ mark.

1. A positive statement is based on :

- (a) Ethics. (b) Facts.
(c) Values. (d) Concepts.

2. Experimentation is a ——— method.

- (a) Deduction. (b) Statistical.
(c) Inductive. (d) Abstract.

3. ——— is an exception to the law of demand.

- (a) Superior good. (b) Consumer food.
(c) Man-made good. (d) Inferior-good.

4. Among the following which is not a rule of indifference curves analysis ?

- (a) Non-satiation. (b) Transitivity.
(c) Continuity. (d) Consistency.

5. Revealed preference theory is ———.

- (a) Subjective. (b) Based on observed market behaviour.
(c) Psychological. (d) Cardinal.

Turn over

6. For perfectly inelastic demand, elasticity of demand is _____.
(a) One. (b) Zero.
(c) Infinite. (d) Negative.
7. Elasticity of substitution between two perfect substitutes is _____.
(a) Infinity. (b) Zero.
(c) One. (d) Positive.
8. The concept of consumer surplus provides a powerful theoretical argument for _____.
(a) Direct tax. (b) Indirect tax.
(c) Marginal tax. (d) GST.
9. AP is maximum when _____.
(a) $MP < AP$. (b) $MP > AP$.
(c) $MP = AP$. (d) None of these.
10. An example for linear homogenous production function is _____.
(a) Logarithmic production function. (b) Cobb-Douglas production function.
(c) Arrow production function. (d) Minhas production function.
11. MRTS is associated to _____.
(a) Indifference curves. (b) Utility curve.
(c) Equal product curve. (d) Production possibility curve.
12. Producers equilibrium is achieved at point where _____.
(a) $MRTS > \text{Price}$. (b) $MRTS < \text{Price}$.
(c) $MRTS = \text{price}$. (d) None of these.

(12 × ½ = 6 marks)

Part B (Very Short Answer Type Questions)

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

13. Expansion path.
14. Isoquants.
15. Inferior goods.

16. Utility.
17. Income effect.
18. Extension of demand.
19. Complementary goods.
20. Elasticity of supply.
21. Inductive method.
22. Positive economics.
23. Market equilibrium.
24. Partial and total analysis.

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Maximum : 80 Marks

(10 × 2 = 20 marks)

Part C (Short Essay Type Questions)

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

25. Distinguish between Microeconomics and Macroeconomics.
26. What are the factors determining the price elasticity of demand ?
27. Explain the law of diminishing marginal utility.
28. Explain Consumers surplus.
29. What are the properties of indifference curve ?
30. Explain TP, AP and MP.
31. Compare fixed and variable proportion production function.
32. Explain returns to scale.

(6 × 5 = 30 marks)

Part D (Essay Type Questions)

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

33. What is production function? Explain the properties of Cobb-Douglas Production function ?
34. Explain the revealed preference theory ?
35. Explain the cardinal and ordinal versions of the consumers equilibrium.
36. Explain the nature and significance of the study of microeconomics.

(2 × 12 = 24 marks)

Turn over