

D 53550

(Pages : 4)

Name.....

Reg. No.....

**FIRST SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2023**

Economics

ECO 1B 01—MICRO ECONOMICS—I

(2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

*Answers may be written either in English or Malayalam.***Section A (Objective Type Questions)***Answer all questions.**Each question carries ½ mark.*

1. Who among the following coined the terms Micro and Macro into economics ?
 - (a) Smith.
 - (b) Marshall.
 - (c) Keynes.
 - (d) Frisch.
2. Identify an assumption of law of demand ?
 - (a) Price of related goods is changed.
 - (b) Changes in credit facilities.
 - (c) Income remains unchanged.
 - (d) A change in taste and preferences.
3. The price elasticity of demand measures :
 - (a) The responsiveness of the quantity demanded to changes in price..
 - (b) How often the price of a good changes.
 - (c) How sensitive the quantity demanded is to changes in demand.
 - (d) The slope of a budget line.
4. In case of Giffen goods, the demand curve will :
 - (a) Slope upward to the right.
 - (b) Slope downward to the right.
 - (c) Remain horizontal.
 - (d) Turn vertical.

Turn over

5. Increase in supply of a commodity due to the reduction in prices of inputs will cause
- (a) Supply curve to shift to the left.
 - (b) Supply curve to shift to the right.
 - (c) Downward movement along the same supply curve.
 - (d) Upward movement along the same supply curve.
6. The law of equi-marginal utility is also known as :
- (a) Law of maximum satisfaction.
 - (b) Law of substitution.
 - (c) Gossen's second law.
 - (d) All the above.
7. Price effect is negative in case of :
- (a) Normal good.
 - (b) Inferior good.
 - (c) Giffen good.
 - (d) All the above.
8. Elasticity of substitution in Cobb Douglas production function is :
- (a) Zero.
 - (b) Unity.
 - (c) Infinity.
 - (d) None of these.
9. Identify the name associated with Fundamental Theorem of Consumption Theory :
- (a) Hicks.
 - (b) Marshall.
 - (c) Samuelson.
 - (d) Pigou.
10. The cardinal utility analysis was initially developed by :
- (a) Williams.
 - (b) Gosson.
 - (c) Jevons.
 - (d) All the above.
11. Following are the properties of indifference curve *except* :
- (a) Indifference curves slope downward to the right.
 - (b) Indifference curves are concave to the origin.
 - (c) Indifference curves cannot intersect each other.
 - (d) A higher indifference curve represents a higher level of satisfaction than a lower indifference curve.

12. In the law of variable proportions, the economically meaningful range is :

- (a) Stage 1. (b) Stage 2.
(c) Stage 3. (d) All the 3 stages.

(12 × ½ = 6 marks)

Section B (Very Short Answer Type Questions)

Answer any ten questions.

Each question carries 2 marks.

13. Distinguish between micro economics and macro economics.
14. Define and draw an expansion path.
15. What do you mean by expansion and contraction of demand ?
16. What is meant by production function ?
17. What do you mean by price elasticity of supply ?
18. Bring out the relationship between MR curves and TR.
19. What is ordinal utility ? Give example.
20. What is meant by budget line ?
21. Prepare a note on Giffen goods.
22. Define consumer's surplus.
23. What is meant by elasticity of substitution ?
24. Distinguish between isoquant and isocost.

(10 × 2 = 20 marks)

Section C (Short Essay type questions)

Answer any six questions.

Each question carries 5 marks.

25. What are the properties of indifference curve ?
26. Explain price determination in a competitive market.

Turn over

27. What is meant MRTS ? Derive MRTS from an isoquant.
28. Discuss the concept of consumer's surplus by Marshall and Hicks.
29. Explain positive economics and nonnative economics. Give examples.
30. Discuss nature and scope of microeconomics.
31. Prepare a note on Cobb Douglas production function.
32. Illustrate changes in market equilibrium due to changes in price and changes in other factors.

(6 × 5 = 30 marks)

Section D (Essay Type Questions)

Answer any two question.

Each question carries 12 marks.

33. Differentiate between returns to a factor and returns to scale. Examine law of variable proportions
34. What do you mean by an indifference curve ? Explain consumer equilibrium using indifference curve analysis.
35. Explain meaning and degrees of price elasticity of demand. What are the factors that affect elasticity of demand ?
36. How do you decompose price effect into income and substitution effect ? Narrate Hicksian and Slutsky's methods.

(2 × 12 = 24 marks)

D 12553

(Pages : 4)

Name.....

Reg. No.....

**FIRST SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2021**

Economics

ECO 1B 01—MICRO ECONOMICS—I

(2016—2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

Answer may be either in English or in Malayalam.

Part A

Answer all twelve questions.

Each question carries ½ mark.

1. By assumption, the value ' α ' in Cobb- Douglas production function is :
 - (a) 1.
 - (b) Less than one.
 - (c) 2.
 - (d) None of these.
2. The law of demand states that an increase in the price of a good leads to :
 - (a) Increases the supply of that good.
 - (b) Decreases the quantity demanded of that good.
 - (c) Its supply curve shift rightwards.
 - (d) None of these.
3. Slutsky keeps real income constant when the price of a commodity falls by :
 - (a) Keeping the consumer on the same indifference curve.
 - (b) Pushing the consumer to a low indifference curve.
 - (c) Allowing the consumer to purchase the same basket of goods as before the price changes.
 - (d) Allowing the consumer to purchase more of both commodities than before the price change.
4. If the demand curve for product 'A' moves to the right, and the price of product B decreases, it can be concluded that :
 - (a) A and B are substitute goods.
 - (b) A and B are complementary goods.
 - (c) A is an inferior good, and B is a superior-good.
 - (d) Both goods A and B are inferior.

Turn over

5. If an increase in consumer income leads to a decrease in the demand for biscuits, then biscuit is
- (a) A normal good. (b) An inferior good.
(c) A substitute good. (d) A complementary good.
6. Which of the following would cause a demand curve for a good to be price inelastic ?
- (a) The good is a luxury.
(b) There are a great number of substitutes for the good.
(c) The good is a necessity.
(d) None of these.
7. Which of the following falls under microeconomics ?
- (a) National income. (b) General Price level.
(c) Factor pricing. (d) National saving and investment.
8. Marginal utility curve of a consumer is also his :
- (a) Indifference curve (b) Total utility curve.
(c) Supply curve. (d) Demand curve.
9. In case of a right-angled indifference curve the goods are :
- (a) Perfect complements. (b) Perfect substitutes.
(c) Inferior goods. (d) Giffen good.
10. If the supply curve is Perfectly Inelastic, then the shape of the supply curve is :
- (a) Vertical. (b) Horizontal.
(c) Upward sloping. (d) Downward sloping.
11. Which of the following is not an assumption of revealed preference theory ?
- (a) Transitivity.
(b) Consistency.
(c) A consumer can be induced to purchase any basket of commodities if its price is made sufficiently attractive.
(d) A cardinal measure of utility.

12. The price elasticity of demand is defined as :
- (a) The percentage change in the quantity demanded divided by the percentage change in income.
 - (b) The percentage change in income divided by the percentage change in the quantity demanded.
 - (c) The percentage change in the quantity demanded of a good divided by the percentage change in the price of that good.
 - (d) The percentage change in the price of a good divided by the percentage change in the quantity demanded of that good.

(12 × ½ = 6 marks)

Part B (Very Short Answer Type Questions)

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

- 13. Define a market equilibrium.
- 14. State the scarcity definition of Economics.
- 15. What is meant by budget line ?
- 16. Distinguish between a normal good and Giffen good ?
- 17. What is meant by returns to scale ?
- 18. What is meant by value judgment ?
- 19. Define Arc elasticity of demand.
- 20. What is meant by demand function ?
- 21. What is meant by consumer surplus ?
- 22. Distinguish between Isoquant and indifference curve.
- 23. State the Cobb-Douglas production function.
- 24. What is meant by utility ?

(10 × 2 = 20 marks)

Turn over

Part C (Short Essay Questions)

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

25. Compare deductive and inductive method of theorizing.
26. Distinguish between expansion and contraction of demand.
27. Distinguish between income elasticity and the price elasticity of demand.
28. Analyse the consumer equilibrium under cardinal utility analysis.
29. Discuss the inter-linkage between TP, AP and MP.
30. Compare the properties of Isoquant curve and indifference curve.
31. Explain the law of diminishing marginal utility.
32. Examine the law of variable proportions.

(6 × 5 = 30 marks)

Part D (Essay Questions)

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

33. Examine the nature and scope of microeconomics.
34. Analyse the equilibrium of a consumer using the indifference curve technique.
35. Critically examine the revealed preference theory.
36. What are the important methods for measuring elasticity of demand.

(2 × 12 = 24 marks)

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 ½ 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) Logical 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) $MRTS > Price$. (b) $MRTS < Price$.
(c) $MRTS = price$. (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.

(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.

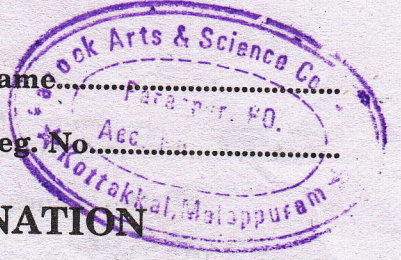
(2 × 12 = 24 marks)

D 53574

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Name.....

Reg. No.....



**FIRST SEMESTER B.A. DEGREE EXAMINATION
JANUARY 2014**

(UG-CCSS)

Core Course – Economics

EC 1B 01 – MICRO ECONOMICS – I

(2013 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

Answer may be written either in English or in Malayalam

I. Answer all twelve questions :

A. Multiple Choice Questions :

1. The scarcity definition of Economics was given by :
(a) Marshall. (b) Lionel Robbins.
(c) Keyes. (d) Adam Smith.
2. Economic model without any reference to time is known as :
(a) Dynamic analysis. (b) Static analysis.
(c) Both. (d) None of these.
3. The changes in the quantity demand due to changes in price is called :
(a) Price elasticity of demand. (b) Income elasticity of demand.
(c) Cross elasticity of demand. (d) None of these.
4. The slope of an indifference curve represents :
(a) MRS. (b) MRTS.
(c) Price. (d) Utility.

B. Fill in the blanks :

5. In market equilibrium, demand and supply are _____.
6. The slope of budget line is equal to _____.
7. Along an Expansion Path, the MRTS is equal to _____.
8. An inferior good in which the positive income effect outweigh the substitution effect is called _____.

Turn over

C. Answer in a word/sentence :

9. The branch of economics which deals with individual segment of the economy.
10. The proportionate change in quantity demanded of a commodity due to changes in the income of a consumer.
11. The physical and technical relationship between inputs and output.
12. The type of technical progress in which the KIL remains constant.

(12 × ¼ = 3 weightage)

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

- | | |
|-------------------------|---------------------------------|
| 13. Economic models. | 14. Normative economics. |
| 15. Market demand. | 16. Price elasticity of demand. |
| 17. Unit elasticity. | 18. Point elasticity. |
| 19. Indifference curve. | 20. Engel's curve. |
| 21. Weak ordering. | |

(9 × 1 = 9 weightage)

III. Short essay or Paragraph type questions. Answer any *five* questions from seven :

22. Explain the scope of micro economics.
23. Distinguish between static, dynamic and comparative static analysis.
24. Distinguish between substitution and income effect of consumption.
25. Explain the different stages of production graphically.
26. Explain the Cobb-Douglas production function.
27. Explain the shape of modern long run average cost curve.
28. Important characteristic features of isoquants.

(5 × 2 = 10 weightage)

IV. Essay questions. Answer any *two* questions :

29. Explain the various methods for estimating the price elasticity of demand.
30. Discuss the various applications of indifference curve.
31. Discuss the derivation and implications of break even point in production.

(2 × 4 = 8 weightage)

C 33371

(Pages : 4)

Name.....

Reg. No.....

FIRST SEMESTER B.A. DEGREE EXAMINATION, NOVEMBER 2017

(CUCBCSS—UG)

Economics

ECO 1B 01—MICRO ECONOMICS—I

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam

Part A

Answer all questions.

Each question carries ½ mark.

1. Ceteris paribus means :
 - (a) Other things remaining constant.
 - (b) One factor remaining constant.
 - (c) Increase in one variable.
 - (d) Decrease in one variable.
2. The method of economic analysis of general to particular is :
 - (a) Deduction.
 - (b) Induction.
 - (c) Assumptions.
 - (d) Normative analysis.
3. If income elasticity is negative, the good is :
 - (a) Luxury.
 - (b) Necessities.
 - (c) Inferior.
 - (d) Superior.
4. For perfect complements, MRS will be :
 - (a) Zero.
 - (b) One.
 - (c) Infinite.
 - (d) 1.5.
5. Time period in which at least one factor remains constant :
 - (a) Long run.
 - (b) Short run.
 - (c) Medium period.
 - (d) Secular period.
6. The locus of various cost minimizing points of a firm is :
 - (a) Expansion path.
 - (b) Production function.
 - (c) MRTS.
 - (d) MRS.

Turn over

7. The price elasticity calculated over a range of prices :
- (a) Point elasticity.
 - (b) Cross elasticity.
 - (c) Arc elasticity.
 - (d) Income elasticity.
8. Expenditure that is made and cannot be recovered :
- (a) Fixed cost.
 - (b) Variable cost.
 - (c) Sunk cost.
 - (d) Accounting cost.
9. At the optimal consumption bundle :
- (a) The marginal utility of all goods consumed is equal.
 - (b) The marginal utility per rupee spent is equal for all goods consumed.
 - (c) The price of all goods consumed is equal.
 - (d) None of the above.
10. Marginal utility refers to :
- (a) The additional product produced as the firm adds one additional unit of an input.
 - (b) The additional utility that a consumer derives from consuming one additional unit of a good.
 - (c) The total utility derived by consuming the good.
 - (d) All of the above.
11. If goods X and Y are substitutes, with an increase in the price of Y, the demand for X will :
- (a) Increase.
 - (b) Decrease.
 - (c) No change.
 - (d) First increase and then decrease.
12. When total utility is maximum ?
- (a) Marginal utility is zero.
 - (b) An additional unit of consumption will decrease total utility.
 - (c) An additional unit of consumption will increase total utility.
 - (d) Marginal utility is constant.

(12 × ½ = 6 marks)

Part B (Very Short Answer Questions)

Answer any ten questions.

Each question carries 2 marks.

13. Positive Economics.
14. Micro Economics.
15. Cross Elasticity.
16. Cobb-Douglas Production Function.
17. Indifference Map.
18. Opportunity Cost.
19. Production Function.
20. Budget Line.
21. Utility Function.
22. Increasing Returns to Scale.
23. Substitution Effect.
24. Giffen Good.

(10 × 2 = 20 marks)

Part C (Short Answer Questions)

Answer any six questions.

Each question carries 5 marks.

25. Explain the subject matter and scope of economics.
26. Extension and contraction of demand.
27. Engel Curve.
28. Can an indifference curve slope upward? Explain.
29. Discuss the revealed preference theory.
30. Explain the significance of price elasticity
31. State and explain the law of diminishing marginal utility.
32. Explain the Marshallian concept of consumer surplus.

(6 × 5 = 30 marks)

Turn over

Part D (Essay Questions)

Answer any **two** questions.

Each question carries 12 marks.

33. Examine the decomposition of price effect into income effect and substitution effect using Hicksian and Slutsky's methods.
34. Explain how consumer equilibrium can be attained by ordinal analysis.
35. Describe the derivation of long run average cost curve.
36. Explain the law of variable proportions.

(2 × 12 = 24 marks)

D 13852

(Pages : 4)

Name.....

Reg. No.....

FIRST SEMESTER B.A. DEGREE EXAMINATION, NOVEMBER 2016

(CUCBCSS—UG)

Core Course—Economics

ECO 1B 01—MICRO ECONOMICS—I

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A

Answer all questions.

Each question carries ½ mark.

1. A demand curve is :
 - (a) The quantity consumers would like to buy.
 - (b) The quantity consumers are willing to sell.
 - (c) The quantity consumers are willing and able to buy at each and every income all other things unchanged.
 - (d) The quantity consumers are willing and able to buy at each and every price all other things unchanged.
2. The method of economic analysis of particular to general is :
 - (a) Deduction.
 - (b) Induction.
 - (c) Assumptions.
 - (d) Normative analysis.
3. If income elasticity is negative , the good is :
 - (a) Luxury.
 - (b) Necessities.
 - (c) Inferior.
 - (d) Superior.
4. For perfect substitutes, MRS will be :
 - (a) Zero.
 - (b) One.
 - (c) Infinite.
 - (d) 1.5.
5. Time period in which at least one factor is fixed :
 - (a) Long run.
 - (b) Short run.
 - (c) Medium period.
 - (d) Secular period.

Turn over

6. The locus of various cost minimizing points of a firm is :
- (a) Expansion path.
 - (b) Production function.
 - (c) MRTS.
 - (d) MRS.
7. The price elasticity calculated over a range of prices :
- (a) Point elasticity.
 - (b) Cross elasticity.
 - (c) Arc elasticity.
 - (d) Income elasticity.
8. Expenditure that is made and cannot be recovered :
- (a) Fixed cost.
 - (b) Variable cost.
 - (c) Sunk cost.
 - (d) Accounting cost.
9. At the optimal consumption bundle :
- (a) The marginal utility of all goods consumed is equal.
 - (b) The marginal utility per rupee spent is equal for all goods consumed.
 - (c) The price of all goods consumed is equal.
 - (d) None of the above.
10. Marginal product refers to :
- (a) The additional product produced as the firm adds one additional unit of an input.
 - (b) The additional utility that a consumer derives from consuming one additional unit of a good.
 - (c) The total utility derived by consuming the good.
 - (d) All of the above.
11. If goods X and Y are substitutes, with a decrease in the price of Y, the demand for X will :
- (a) An increase.
 - (b) A decrease.
 - (c) No change.
 - (d) First increase and then decrease.
12. When total utility is maximum :
- (a) Marginal utility is zero.
 - (b) An additional unit of consumption will decrease total utility.
 - (c) An additional unit of consumption will increase marginal utility.
 - (d) Total utility is constant.

(12 × ½ = 6 marks)

Part B (Very Short Answer Questions)

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

13. Positive Economics.
14. Micro Economics.
15. Cross Elasticity.
16. Cobb-Douglas Production Function.
17. Price consumption curve.
18. Variable Cost.
19. Production Function.
20. Law of equimarginal utility.
21. Utility Function.
22. Decreasing Returns to Scale.
23. Income Effect.
24. Law of supply.

(10 × 2 = 20 marks)

Part C (Short Answer Questions)

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

25. Properties of isoquants.
26. Increase and extension of demand.
27. Engel Curve.
28. Can an indifference curve slope upward ? Explain.
29. Discuss the revealed preference theory.
30. Explain the factors affecting price elasticity.
31. State and explain the law of diminishing marginal utility.
32. Explain the Marshalian concept of consumer surplus.

(6 × 5 = 30 marks)

Turn over

Part D (Essay Questions)

Answer any two questions.

Each question carries 12 marks.

33. Examine the decomposition of price effect into income effect and substitution effect using Hicksian and Slutsky's methods.
34. Explain consumer equilibrium with the help of indifference curves.
35. Describe the short run and long run cost curve with suitable diagrams..
36. Explain the laws of production in the short run and long run

(2 × 12 = 24 marks)

D 74418

(Pages : 3)

Name.....

Reg. No.....

FIRST SEMESTER B.A. DEGREE EXAMINATION, NOVEMBER 2014

(CUCBCSS-UG)

Core Course

Economics

ECO IB 01 - MICRO ECONOMICS - I

(Common for Development Economics - 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.

1. Systematic Explanation of observed phenomena in terms of a set of basic rules and assumption is called :
 - (a) Hypothesis.
 - (b) Model.
 - (c) Theory.
 - (d) Prediction.
2. Statement that describe relationship of cause and effect is called :
 - (a) Ideology.
 - (b) Value Judgement.
 - (c) Normative Statement.
 - (d) Positive Statement.
3. The curve that shows all the alternative combinations of two consumption goods that yield the same utility is :
 - (a) Demand Curve.
 - (b) Indifference Curve.
 - (c) Production Possibility Curve.
 - (d) Cost Curve.
4. Intersection of indifference curves is illogical because :
 - (a) More is better than lesser.
 - (b) diminishing marginal utility.
 - (c) Transitivity assumption.
 - (d) both a and c.
5. Suppose that the price elasticity of demand for a Compact Disk has been estimated at '2'. If quantity demanded of CD to increase by 10 percent, the price must have been changed by :
 - (a) 5 percent.
 - (b) 0 percent.
 - (c) 10 percent.
 - (d) 100 percent.

Turn over

6. If an increase in the price of one good leads to an increase in the quantity demanded of another good, then, these two goods are :
- (a) Complementary goods. (b) Substitute goods.
(c) Giffen goods. (d) Merit Goods.
7. If the income elasticity of a good is greater than zero, then the good is :
- (a) Normal good. (b) Inferior good.
(c) complimentary god. (d) Substitute good.
8. If consumers spend Rupees 15 million a month on Cell phone Recharge Coupons, regardless of whether the price they pay goes up or down, then, the price elasticity of demand for these Recharge Coupons is :
- (a) 0. (b) 1.
(c) ∞ . (d) 15.
9. A normal good can be defined as one which consumers purchase more of as :
- (a) prices fall. (b) prices rise.
(c) incomes fall. (d) incomes increase.
10. The indifference curve of perfect substitute goods is :
- (a) Straight line. (b) Right angles.
(c) Concave. (d) convex to the origin.
11. The Marginal Rate of Technical Substitution between perfectly substitutable inputs is :
- (a) Negative. (b) Positive.
(c) Constant. (d) Indeterminate.
12. In Revealed Preference Theory, the consumer's choice is :
- (a) Weakly ordered. (b) Strongly ordered.
(c) indifferent. (d) All of these.

(12 \times $\frac{1}{2}$ = 6 marks)

Part B

*Very short answer type questions.
Answer any ten questions.*

13. What is a production function ?
14. What is meant by isoquant ?
15. Write a note on Returns to Scale.
16. What do you mean by consumer surplus ?
17. What is Giffen Good ?

18. Distinguish between Positive analysis and Normative Analysis.
19. What is Budget Line ?
20. Write a note on Marginal product and Average product.
21. What are the properties of an indifference curve ?
22. Define the concept elasticity.
23. What is meant by cardinal utility analysis ?
24. What do you mean by a model ?

(10 × 2 = 20 marks)

Part C

Short essay questions answer any six questions.

25. Explain the Law of Diminishing Marginal Utility.
26. Briefly explain the scope of Microeconomics.
27. Explain the degrees of price elasticity of demand.
28. Explain the derivation of Engel Curve.
29. Explain the effect of price changes on consumption with price consumption curve.
30. Explain with suitable diagram the income and substitution effect for Giffen good.
31. Explain the Hicksian substitution effect.
32. Explain with suitable examples the concepts Total product, Average product and Marginal product.

(6 × 5 = 30 marks)

Part D

Essay questions.

Answer any two questions.

33. Critically Explain the Revealed Preference Theory.
34. Explain the derivation of demand curve from price consumption and income consumption curves.
35. Critically examine the laws of returns to scale.
36. Explain the laws of Variable proportion.

(2 × 12 = 24 marks)

D 93802

(Pages : 2)

Name.....

Reg. No.....

**FIRST SEMESTER B.A. DEGREE (SUPPLEMENTARY) EXAMINATION
NOVEMBER 2015**

(UG—CCSS)

Economics—Core Course

EC 1B 01—MICRO ECONOMICS-I

Time : Three Hours

Maximum : 30 Weightage

*Answers may be written either in English or in Malayalam.
Answer all twelve questions.*

1. (A) Multiple Choice Questions :

1 The determination of price in individual market is a subject matter of :

- (a) Macro Economics. (b) Micro Economics.
(c) International Economics. (d) Development Economics.

2 In a market, the relationship between demand and price are :

- (a) Direct. (b) Inverse.
(c) Direct linear. (d) None of these.

3 For substitutes, the cross elasticity is :

- (a) Positive. (b) Negative.
(c) Both. (d) None of these.

4 The changes in utility of a commodity due to the consumption of the last unit is called :

- (a) Total utility. (b) Marginal utility.
(c) Average utility. (d) None of these.

(B) Fill in the blanks :

5 The total Price Effect is composed of Substitution effect and _____.

6 In Cobb-Douglas production function, the value of factor substitution is _____.

7 In the modern cost theory, the shape of LAC is _____ shaped.

8 At break even point, the value of TR is equal to _____.

(C) Answer in a word/sentence

9 The approach of economic analysis which tries to answer the question of 'what is' ?

10 Revenue obtained per unit of output sold in the market.

Turn over

- 11 The type of inferior goods in which the positive income effect outweigh the negative substitution effect.
- 12 The percentage change in capital-labour ratio to the percentage change in MRS.

(12 × ¼ = 3 weightage)

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

- 13 What is economic system ?
- 14 Shift in demand.
- 15 Cross elasticity of demand.
- 16 Arc elasticity.
- 17 Cardinal utility.
- 18 MRS.
- 19 Budget line.
- 20 Strong ordering.
- 21 Isoquants.

(9 × 1 = 9 weightage)

III. Short essay or Paragraph type questions. Answer any *five* questions from seven :

- 22 Explain the two sector circular flow of income.
- 23 Important features of ordinal utility analysis.
- 24 Show the derivation of demand from cardinal utility theory.
- 25 Explain the derivation of longrun average cost curve.
- 26 Explain the derivation of break even point.
- 27 Explain returns to scale.
- 28 Describe the consumers' equilibrium.

(5 × 2 = 10 weightage)

IV. Essay questions. Answer any *two* questions :

- 29 Explain the different types of price elasticity of demand.
- 30 Discuss the consumer's equilibrium with help of indifference curve approach.
- 31 Explain various stages of shortrun production function.

(2 × 4 = 8 weightage)

D 92899

(Pages : 3)

Name.....

Reg. No.....

FIRST SEMESTER B.A. DEGREE EXAMINATION, NOVEMBER 2015

(CUCBCSS—UG)

Core Course—Economics

ECO 1B 01—MICROECONOMICS—I

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A

Answer all twelve questions.

1. The “compensated” demand curve is the demand curve that shows :
 - (a) Only the income effect.
 - (b) Only the substitution effect.
 - (c) Both the income and substitution effects.
 - (d) The Giffen good demand curve.
2. The market demand curve is derived by adding all the individual demand curves :
 - (a) Vertically.
 - (b) Horizontally.
 - (c) In parallel.
 - (d) Any of the above.
3. When the substitution effect of a lowered price is counteracted by the income effect, the good in question is :
 - (a) Inferior good.
 - (b) Substitute good.
 - (c) Independent good.
 - (d) Normal good.
4. Which of the following stands for the slope of a budget line ?
 - (a) MRS.
 - (b) P_x/P_y .
 - (c) MRP.
 - (d) MRTS.
5. The elasticity measured at the point of ‘Y’ intercept of a linear demand curve is :
 - (a) 0.
 - (b) 1.
 - (c) ∞ .
 - (d) None of these.
6. Which if a firm triples all inputs, and output triples as well, the firm is subject to :
 - (a) Constant returns to scale.
 - (b) Increasing returns to scale.
 - (c) Economies of scale.
 - (d) Decreasing returns to scale.

Turn over

22. Write a note on returns to scale.
23. What is meant by elasticity of substitution ?
24. Write a note on Cobb-Douglas Production function.

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

Answer any six questions.

25. Explain the properties of isoquants.
26. Distinguish between Normative and Positive Economics.
27. Explain the measurement of point elasticity.
28. What are degrees of price elasticity of demand ?
29. Explain the derivation of Engel curve.
30. Explain the economic region of production using isoquants.
31. Explain the derivation of income consumption curve.
32. Explain the derivation of market demand curve.

(6 × 5 = 30 marks)

Part D (Essay Questions)

Answer any two questions.

33. Explain the ordinal utility approach to consumer's equilibrium.
34. Explain the Revealed preference Theory.
35. Explain the Laws of Returns to Scale.
36. Explain Hicksian and Slutski's approaches to the decomposition of the substitution effect and income effect.

(2 × 12 = 24 marks)