



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

SECOND SEMESTER – APRIL 2017

16UEC2MC01 - MICRO ECONOMICS - I

Date: 22-04-2017
Time: 01:00-04:00

Dept. No.

Max. : 100 Marks

PART – A

Answer any FIVE questions in about 75 words each: (5 x 4 = 20 Marks)

1. Define Deductive Method.
2. Explain the importance of information and incentives in economics.
3. Briefly explain any four factors influencing demand.
4. Distinguish between movement along a supply curve and a shift in a supply curve.
5. What are the assumptions of an indifference curve?
6. Define constant returns to scale.
7. Explain the two conditions of firm's equilibrium under perfect competition.

PART – B

Answer any FOUR questions in about 250 words each: (4 X 10 = 40 Marks)

8. How price mechanism helps in solving the basic problems - Discuss.
9. Explain the determinants price elasticity of demand.
10. Examine the properties of an indifference curve.
11. Analyse substitution effect for a fall in price.
12. Briefly explain the law of variable proportion.
13. Examine the concept of marginal rate of technical substitution.
14. Diagrammatically analyse the long run equilibrium of a firm under perfect competition.

PART – C

Answer any TWO questions in about 900 words each: (2 X 20 = 40 Marks)

15. Critically analyse the special features of free market economy.
16. Diagrammatically explain consumer's equilibrium with indifference curves.
17. Derive a long run average cost curve with the help of a diagram.
18. Analyse the determination of price and output under monopolistic market.
