

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FIRST SEMESTER – NOVEMBER 2007

EC 1500 - MICRO ECONOMICS - I

AN 1

Date : 01/11/2007

Dept. No.

Max. : 100 Marks

Time : 1:00 - 4:00

PART – A

(5 X 4 = 20 marks)

Answer any FIVE questions in about 75 words each:

1. Define market equilibrium.
2. What is market supply function?
3. State the use of introspective method in judging the behaviour of marginal utility.
4. What is diminishing Marginal Rate of Substitution?
5. State the meaning of production.
6. Derive the necessary and sufficient conditions for profit maximization in a purely competitive market.
7. List the features of a monopoly firm.

PART – B

(4 X 10 = 40 marks)

Answer any FOUR questions in about 300 words each:

8. Scarcity is the mother of all economic problems – Explain.
9. Discuss the different methods of the measurement of price elasticity of demand.
10. Analyse the Law of Diminishing Marginal Utility.
11. Bring out the various cost concepts.
12. Explain the three stages of the short-run production function.
13. Discuss the features of perfect competition.
14. Analyse Cournot's model.

PART - C

(2 X 20 = 40 marks)

Answer any TWO questions in about 900 words each:

15. Explain consumer's equilibrium using Indifference Curve Analysis.
16. Analyse the Laws of Returns to Scale with suitable diagrammes.
17. Discuss the short-run cost curves with illustrations.
18. Explain Kinked Demand Curve.

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