



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FIRST SEMESTER – APRIL 2017

EC 1500 - MICRO ECONOMICS - I

Date: 26-04-2017
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

PART-A

Answer any FIVE of the following not exceeding 75 words: (5×4=20 marks)

1. Distinguish between positive economics and normative economics.
2. State the relationship between total utility and marginal utility.
3. Write short notes on total fixed cost and total variable costs.
4. Differentiate between perfect competition and pure competition.
5. What are the salient features of oligopoly?
6. List out the properties of indifference curve.
7. What is meant by product differentiation?

PART-B

Answer any FOUR of the following not exceeding 300 words: (4×10=40 marks)

8. State the law of demand. Why does the demand curve slope downwards?
9. What is meant by law of diminishing marginal utility? Explain its limitations.
10. Explain the cost-output relationship in the short run with suitable diagrams.
11. Explain the importance of time element in price theory.
12. Examine the importance of selling costs under monopolistic competition.
13. Illustrate the difference between returns to scale and returns to factor with suitable diagrams.
14. Distinguish between technical efficiency and economic efficiency.

PART-C

Answer any TWO of the following not exceeding 900 words: (2×20=40 marks)

15. What do you mean by the price mechanism? Explain its role in a competitive market.
16. Discuss the law of variable proportions.
17. Explain how price is determined in a perfectly competitive market.
18. Critically explain Cournot's duopoly model
