

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.A. DEGREE EXAMINATION – ECONOMICS

FIRST SEMESTER – APRIL 2022

UEC 1501 – MICRO ECONOMICS – I

(21 BATCH ONLY)

Date: 15-06-2022

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

PART – A

Q. Answer ALL questions

No

1. Write short note:

(5 x 1 = 5 Marks)

- | | | |
|--------------------------|----|-----|
| (a) Demand | K1 | CO1 |
| (b) Marginal utility | K1 | CO1 |
| (c) Isoquants | K1 | CO1 |
| (d) Perfect Competition | K1 | CO1 |
| (e) Price discrimination | K1 | CO1 |

2. Choose the correct answer.

(5 x 1 = 5 Marks)

- | | | |
|-------------------------------------------------------------------------|--------------------------------|-----|
| (a) Market demand curve is a lateral summation of | K2 | CO1 |
| (i) Individual demand curves | (ii) Indifference curves | |
| (iii) Quantities of both commodities | (iv) Quantity of one commodity | |
| (b) Indifference curves generally | K2 | CO1 |
| (i) Are convex to origin | (ii) Intersect with each other | |
| (iii) Are straight line | (iv) Touch both the axis | |
| (c) Isoquants | K2 | CO1 |
| (i) Combination of inputs which will give same level of output | (ii) Are concave to origin | |
| (iii) Are inverted Hyperbola | (iv) Positively Sloping | |
| (d) Which of the following is false with regard to Perfect competition? | K2 | CO1 |
| (i) Free Entry and exit of firms | (ii) No transportation costs | |
| (iii) Single buyer | (iv) Homogenous Product | |
| (e) Product differentiation is found in | K2 | CO1 |
| (i) Oligopoly | (ii) Monopoly | |
| (iii) Perfect Competition | (iv) Monopolistic Competition | |

3. State TRUE / FALSE

(5 x 1 = 5 Marks)

- | | | |
|-------------------------------------------------------------------------------------|----|-----|
| (a) Whom to produce is not a central problem of an economy | K2 | CO1 |
| (b) As the Income increases, a consumer would substitute an inferior commodity with | K2 | CO1 |

a superior or normal commodity

- (c) Both the factors are variable under Law of Variable Proportion **K2 CO1**
- (d) In perfect competition Buyers and Sellers are Price makers **K2 CO1**
- (e) In Oligopoly market the firms accept the low-cost firms or high profit firms as their Leader **K2 CO1**

4. Match the following (5 x 1 = 5 Marks)

- | | | |
|--------------------------------|---------------------|---------------|
| (a) Perfectly Inelastic Demand | Consistency | K1 CO1 |
| (b) Revealed Preference Theory | Monopoly | K1 CO1 |
| (c) $Q = f(L, K)$ | Normal Profits | K1 CO1 |
| (d) $TR=TC$ | Production Function | K1 CO1 |
| (e) Single Seller | Vertical Line | K1 CO1 |

PART – B

Answer any TWO questions in 150 words each. (2 x 10 = 20 Marks)

5. **Sketch** various degrees of price elasticity with suitable diagrams. **K3 CO2**
6. **Demonstrate** the decomposition of income & substitution effects. **K3 CO2**
7. **Determine** the factor allocation according to the returns to Scale. **K3 CO2**
8. **Evaluate** the process of price determination under perfect competition. **K3 CO2**

PART – C

Answer any TWO questions in 150 words each. (2 x 10 = 20 Marks)

9. **Compare** cardinal and ordinal utility approaches to demand. **K4 CO3**
10. **Analyze** revealed preference theory of demand. **K4 CO3**
11. **Examine** the concept of elasticity of substitution. **K4 CO3**
12. **Illustrate** learning curve and its features. **K4 CO3**

PART – D

Answer any ONE question in 250 words. (1 x 20 = 20 Marks)

13. **Determine** consumer equilibrium using the concept of indifference curve analysis. **K5 CO4**
14. **Revise** the concept of price discrimination. **K5 CO4**

PART – E

Answer any ONE question in 250 words. (1 x 20 = 20 Marks)

15. **Appraise** all types of cost curves with appropriate diagrams. **K6 CO4**
16. **Interpret** the short run equilibrium of a monopolist firm using MR and MC Curves. **K6 CO4**

@@@@@@@@