



(Pages : 2)

E – 4365

Reg. No. :

Name :

Second Semester B.A. Degree Examination, August 2018

First Degree Programme under CBCSS

ECONOMICS

Core Course – II

EC 1241 : Micro Economics – I

(2015 Admn. Onwards)

Time : 3 Hours

Max. Marks : 80

SECTION – I

Answer in **one** or **two** sentences. Attempt **all** questions.

1. Income elasticity.
2. Budget line.
3. Equi-marginal utility.
4. Eulers theorem.
5. *Opportunity cost*.
6. Cross elasticity of demand.
7. Engel curve.
8. Isoquant.
9. Positive economics.
10. Ceterisparibus.

(10×1=10 Marks)

SECTION – II

Answer **any eight** questions not exceeding **one** paragraph. **Each** question carries **two** marks.

11. Distinguish between PCC and ICC.
12. Explain PPC.
13. Explain Income effect.
14. Write a note on transitivity assumption.

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15. Discuss indifference map.
16. Explain economies of scale.
17. Examine the relationship between SAC and SMC.
18. Why does demand curve slope downward ?
19. Discuss the law of Diminishing Marginal Utility.
20. Distinguish between price elasticity and income elasticity of demand.
21. What are the assumptions of ordinal approach to demand analysis.
22. Explain the concept of opportunity cost. **(8×2=16 Marks)**

SECTION – III

Answer **any six** questions not exceeding **120** word. **Each** question carries **4** marks.

23. Distinguish between strong and weak ordering.
24. Distinguish normal goods from inferior and Giffen goods.
25. Explain the law of demand.
26. What is demand forecasting ? What are its uses ?
27. Explain the concept of consumers surplus using indifference curve.
28. Explain Slutsky's theorem.
29. Examine the relationship between AC and MC.
30. Explain price elasticity. What are its relevance in price fixing and taxation ?
31. Discuss the law of supply. What are its exceptions ? **(6×4=24 Marks)**

SECTION – IV

Answer **any two** questions not exceeding **four** pages. **Each** question carries **15** marks.

32. Critically analyse the law of variable proportion and identify the area of operation of the producer.
 33. Examine in detail the Hicksian separation of substitution effect, income effect and price effect.
 34. Discuss the characteristic features of Linear and Homogeneous production function taking Cobb-Douglous production function as a case.
 35. Critically examine the revealed preference theory and explain how it establishes the demand theory. **(2×15=30 Marks)**
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