

B.A. DEGREE END SEMESTER EXAMINATION - MARCH 2020**SEMESTER –2: ECONOMICS (CORE COURSE)****COURSE: 19U2CRECO2: PRINCIPLES OF MICRO ECONOMICS***(For Regular - 2019 Admission)*

Time: Three Hours

Max Marks: 75

PART A***Answer all questions in one or two sentences.******Each question carries 1 mark.***

1. Market mechanism.
2. Normative economics.
3. Law of Demand
4. Engel Curve.
5. Production Function
6. Income effect.
7. Sunk cost
8. Marginal Revenue.
9. Growth definition of Economics.
10. Diseconomies of scale.

(1 x 10 =10)

PART B***Answer any eight of the following in three or four sentences.******Each question carries 2 marks.***

11. Distinguish between micro economics and macroeconomics.
12. Distinguish between total utility and marginal utility.
13. Write a note on price rationing.
14. What are the properties of indifference curve.
15. Explain the concept of consumer surplus.
16. State with example income effect and substitution effect.
17. Differentiate between economies and diseconomies of scale.
18. Cobb-Douglas production function.
19. Explain income elasticity of demand.
20. Differentiate ordinal and cardinal utility analysis.

(2 x 8 = 16)

PART C

Answer any five of the following in not more than one page.

Each question carries 5 marks.

21. Explain the revealed preference theorem of Samuelson.
22. Diagrammatically explain the modern theory of cost.
23. Critically examine the law of equi-marginal utility.
24. Examine the importance of production possibility frontier with diagram.
25. State law of variable proportions and explain the reasons for three stages of production function.
26. Write about the nature and scope of micro economics.
27. What are the factors determining elasticity of demand and state its importance.

(5 x 5 = 25)

PART D

Answer any two of the following in not exceeding four pages.

Each question carries 12 marks.

28. Examine with the help of diagram long run production function
29. Define law of demand and its determinants. Describe the exceptions of law of demand.
30. Diagrammatically explain the traditional theory of costs with diagram and examples.
31. What do you understand by change in supply and change in demand? Describe the factors which affect change in supply and change in demand? Illustrate with the help of diagrams.

(12 x 2 = 24)
