

B A DEGREE END SEMESTER EXAMINATION - JULY 2021**SEMESTER 2 : ECONOMICS****COURSE : 19U2CRECO2 - Principles of Microeconomics***(For Regular - 2020 Admission and Supplementary - 2019 Admission)*

Time : Three Hours

Max. Marks: 75

PART A**Answer All (1 mark each)**

1. Give the meaning of the term equilibrium
2. Write two characteristics of resources.
3. Define Iso-cost line
4. Distinguish between marginal product and average product
5. Distinguish between fixed cost and variable cost
6. Define Income effect
7. Define consumer equilibrium
8. Define revealed preference theory
9. Define supply
10. Define Substitute goods

(1 x 10 = 10)**PART B****Answer any 8 (2 marks each)**

11. What is meant by comparative statics?
12. What is the need for government intervention in the market?
13. What is meant by producer equilibrium?
14. What is an expansion path?
15. Distinguish between accounting cost and economic cost.
16. indifference curve neither touches X axis nor the Y axis. Justify the statement
17. State the relationship between Total utility and Marginal utility
18. Distinguish between individual demand and market demand
19. Define zero income elasticity of demand
20. Briefly describe the continuous cobweb model

(2 x 8 = 16)**PART C****Answer any 5 (5 marks each)**

21. Why does an economic problem arise? Explain the problem of 'How to Produce'?
22. Enlist the internal and external diseconomies of scale
23. Explain the economies of large scale production.
24. Briefly explain law of diminishing marginal utility
25. Discuss marshallian view of consumer surplus
26. What are the degrees of price elasticity of demand
27. Discuss the concept of revenue and its different types

(5 x 5 = 25)

PART D

Answer any 2 (12 marks each)

28. Examine the long run production function with the help of examples
29. What is meant by cost function? Give an account of the short run and long run cost curves.
30. Define ordinal utility and explain its applications to the theory of economics?
31. Define market equilibrium? Explain the impact of change in demand and supply in market equilibrium with the help of diagrams

(12 x 2 = 24)