



K20U 3258

Reg. No. :

Name :

I Semester B.A. Degree CBCSS (OBE) Reg./Sup./Imp.
Examination, November 2020
(2019 Admn. Onwards)
CORE COURSE IN ECONOMICS/DEVELOPMENT ECONOMICS
1B01ECO/DEV ECO : Micro Economic Analysis – I

Time : 3 Hours

Max. Marks : 40

PART – A

(Answer all questions. Each carries one mark.)

1. Define Economic Model.
2. State Income elasticity.
3. What is meant by Unstable Equilibrium ?
4. What do you understand by Weak Ordering ?
5. What is Engel Curve ?
6. Define Production Function.

(1×6=6)

PART – B

(Answer any six questions. Each carries two marks.)

7. State the uses of Microeconomics.
8. What is Production Possibility Curve (PPG) ?
9. Distinguish between change in demand and change in quantity demand.
10. State the reasons for the downward slope of the demand curve.

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11. Explain partial and general equilibrium.
12. State and explain the 'law of diminishing marginal utility'.
13. Distinguish between income effect and substitution effect.
14. Explain long run production function. (6×2=12)

PART – C

(Answer **any four** questions. **Each** carries **three** marks.)

15. Explain modern theory of cost.
16. Analyse the effect of changes in price and income on consumer equilibrium. Graphically derive PCC and ICC.
17. What is consumer surplus ? Explain the ordinal measurement of consumer surplus.
18. What do you mean by indifference curve ? Explain the properties of indifference curve analysis.
19. Explain price ceiling and price flooring with examples.
20. State Law of Demand. Explain the exceptions to law of demand. (4×3=12)

PART – D

(Answer **any two** questions. **Each** carries **five** marks.)

21. What do you mean by income and substitution effect ? Explain the Hicks and Slutsky versions of decomposition of price effect into income and substitution effect.
 22. Explain the law of variable proportion. Why producers prefer to operate on second stage of law of variable proportion ?
 23. Explain elasticity of Demand. Illustrate the types and factors affecting elasticity.
 24. What do you mean by Economic Model ? Explain the uses, application and limitations of economic models. (2×5=10)
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