

**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86**  
**(For Candidates admitted during the academic year 2008 – 2009 & thereafter)**

**SUBJECT CODE: EC/MC/ME14**

**B.A. DEGREE EXAMINATION NOVEMBER 2009**  
**BRANCH IV – ECONOMICS**  
**FIRST SEMESTER**

**COURSE : MAJOR – CORE**  
**PAPER : MICRO ECONOMICS - I**  
**TIME : 3 HOURS**

**MAX. MARKS : 100**

**SECTION – A**

**ANSWER ALL TEN QUESTIONS. EACH ANSWER NOT TO EXCEED 50 WORDS**  
**(10 X 3 = 30)**

1. Define Law of Demand.
2. Distinguish between static and comparative static analysis.
3. What are the assumptions of cardinal utility theory?
4. Mention the properties of indifference curve analysis.
5. What are ridge lines? What is their significance to a firm?
6. Distinguish between short run and long run costs.
7. Prove that  $AR=P$ .
8. What are the conditions of equilibrium?
9. How is the monopolist controlled?
10. Write a note on bilateral monopoly.

**SECTION – B**

**ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 300 WORDS**  
**(5x6=30)**

11. Discuss risk and uncertainty theory.
12. Define price, income and cross elasticities.
13. Briefly discuss the uses of indifference curves.
14. Analyse the Law of Variable Proportion.
15. Prove the relationship between average revenue, marginal revenue and price.
16. What is discriminating monopoly? Under what conditions is price discrimination possible and profitable.
17. How is price determined under perfect competition?

**SECTION – C**

**ANSWER ANY TWO QUESTIONS. EACH ANSWER NOT TO EXCEED 1200 WORDS**  
**(2x20=40)**

18. Critically review the cob web model and Marshall's time period analysis.
19. Write a note on income, price and substitution effects and Slutsky's theorem.
20. Explain the concept of production function and discuss the production of Cobb-Douglas type.
21. Discuss the short and long run equilibrium of a monopolist.

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