

**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86**  
**(For Candidates admitted during the academic year 2019 – 2020)**

**SUBJECT CODE: 19EC/MC/ME14**

**B.A. DEGREE EXAMINATION NOVEMBER 2019**  
**BRANCH IV – ECONOMICS**  
**FIRST SEMESTER**

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

**MAX. MARKS: 100**

**SECTION – A**

**ANSWER ANY TEN QUESTIONS. EACH ANSWER NOT TO EXCEED 50 WORDS**  
**(10x2=20)**

1. What are the basic problems of an economy?
2. Distinguish between Static and Comparative static analysis.
3. State the Law of Diminishing Marginal Utility.
4. Write a short note on Transitivity assumption of Ordinal Utility Approach.
5. Define 'Budget line'.
6. What is meant by production function?
7. Write a short note on 'Point of inflexion'.
8. What are Isoquants?
9. Differentiate between explicit and implicit costs.
10. What happens to revenue when demand is elastic?
11. Distinguish between firm and industry.
12. What is meant by price discrimination?

**SECTION – B**

**ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 400 WORDS**  
**(5x8=40)**

13. Bring out the classification of elasticity of demand and its significance.
14. Explain the law of supply and the determinants of supply function.
15. Diagrammatically explain the nature of short- run cost curves and the relationship between average cost and marginal cost.
16. Illustrate the derivation of individual's demand curve using indifference curve.
17. Briefly explain the Laws of returns.
18. Given the prices of the two factors, explain the conditions for producing a give output at the least cost.
19. Analyse the equilibrium of a profit maximizing firm using break-even analysis.
20. What is monopoly? Explain the sources of monopoly?

**SECTION – C**

**ANSWER ANY TWO QUESTIONS. EACH ANSWER NOT TO EXCEED 1000 WORDS**  
**(2x20=40)**

21. Explain the law of demand. Why does the demand curve slopes downwards?
22. Elucidate the consumer equilibrium using indifference curve.
23. Discuss in detail the law of variable proportions.
24. Elaborate the price and output determination in a perfectly competitive market.

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