SUBJECT CODE: 11EC/MC/ME14

B.A. DEGREE EXAMINATION NOVEMBER 2013
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
                                                                                   (10x2=20)

1. What is demand?
2. Distinguish between Price and income elasticity of demand.
3. Bring out the relationship between marginal and total utility.
4. Divide the price effect into income ad substitution effects for a normal good.
5. Distinguish between short run and long run costs.
6. State the properties of iso-quant.
7. Bring out the relationship between average and marginal cost curves.
8. Draw average and marginal curves for a perfect competitive firm and monopoly firm.
9. What is monopoly power?
10. What is shut-down point?

SECTION – B
ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 300
WORDS   **(5x8=40)**

11. Explain the features of perfect competition.
12. Write a note on bilateral monopoly.
13. Derive and explain short-run cost curves.
14. Bring out the relationship between average and marginal revenue and elasticity of demand.
15. Explain various types of returns to scale with the help of three different diagrams.
16. State and explain the Cob-Douglas production function.
17. Give any two applications of indifference curve analysis.

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

18. What is price discrimination? How are prices determined under fist, second and third degree price discrimination?
19. Critically evaluate the law of variable proportion. Bring out its importance and limitations.
20. Explain the law of equal marginal utility. Bring out its pros and cons.
21. State and explain various methods of measuring elasticity of demand. Explain their relative merits and demerits.

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