



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FIRST SEMESTER – APRIL 2013

EC 1500 - MICRO ECONOMICS - I

Date: 09/05/2013
Time: 1:00 - 4:00

Dept. No.

Max. : 100 Marks

PART – A

Answer any FIVE questions in about 75 words each:

(5x4 = 20 marks)

1. What do you mean by elasticity of demand?
2. What are the basic differences between cardinal and ordinal approaches to demand?
3. Explain the properties of indifference curves.
4. What does a production function represent?
5. What are the conditions for short run and long run equilibrium in perfect competition?
6. What are the types of collusion in oligopolistic markets?
7. Define monopolistic competition and give examples.

PART – B

Answer any FOUR questions in about 300 words each:

(4x10 = 40 marks)

8. Define elasticity of supply. How would you measure it?
9. Explain the substitution effect and income effect of a change in price of a good.
10. Explain the assumptions of indifference curve analysis.
11. Explain why the long run average cost curve is called an envelope curve.
12. Explain the concept of elasticity of substitution.
13. What are the common forms of price leadership?
14. The industry is called a product group in Monopolistic competition, why?

PART – C

Answer any TWO questions in about 900 words each:

(2x20 = 40 marks)

15. Discuss the law of variable proportions.
16. Explain how the law of demand is explained using the marginal utility analysis.
17. Explain the short run equilibrium of firm and industry in perfect competition.
18. Explain the kinked demand curve model of oligopoly.

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