

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FIRST SEMESTER – November 2009

EC 1500 - MICRO ECONOMICS - I

Date & Time: 10/11/2009 / 1:00 - 4:00 Dept. No.

Max. : 100 Marks

PART – A

Answer any FIVE questions in about 75 words each (5 x 4 = 20 marks)

1. Define economics as given by Alfred Marshall and Lionel Robbins
2. Discuss the role of price mechanism in a Mixed Capitalistic Economy.
3. Under what circumstances demand curve slopes to the right?
4. Write short notes on factor elasticity of substitution?
5. What are the properties of Isoquants?
6. What is product differentiation?
7. Define Duopoly? How price is determined under Duopoly?

PART – B

Answer any FOUR questions in about 250 words each (4 x10 = 40 marks)

8. The science of economics has both positive and normative aspects – Explain.
9. Discuss the factors that affect price elasticity of demand for a commodity.
10. Distinguish between returns to a factor and returns to scale. What will be the returns to a factor if the returns to scale are increasing constant and diminishing?
11. Distinguish between market price and normal price. How is normal price determined?
12. What are the main characteristics of monopolistic competition?
13. What are selling costs? How do they influence the equilibrium a firm operating under conditions of monopolistic competition.
14. Explain Chamberlin model of duopoly? How does it differ from the Cournot and Edgeworth models.

PART – C

Answer any TWO questions in about 900 words each

(2 x 20 = 40 marks)

15. Discuss the basic problems of an economy?
16. State the difficulties in the measurement of utility and show how the Indifference curve technique overcomes these difficulties in the Law of Demand.
17. Discuss the law of variable proportions and explain the conditions of its applicability ?
18. Bring out the salient features of oligopoly .Is it correct to say that pricing under oligopoly is indeterminable

