



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FIRST SEMESTER – NOVEMBER 2014

EC 1500 - MICRO ECONOMICS - I

Date : 07/11/2014
Time : 01:00-04:00

Dept. No.

Max. : 100 Marks

PART – A

Answer any FIVE questions not exceeding 75 words each:

(5x4=20 marks)

1. What are the basic problems of an economic system?
2. Bring out the properties of indifference curve.
3. Explain the concept of decreasing returns.
4. What are the features of perfect competition?
5. Discuss the significance of selling cost in imperfect market.
6. Differentiate between fixed and variable costs.
7. Bring out the meaning of substitution effect.

PART – B

Answer any FOUR questions in about 300 words each:

(4x10=40 marks)

8. What are the factors determining elasticity of demand?
9. Explain the law of diminishing marginal utility.
10. Discuss the situation of firm break even under perfect competition.
11. Explain the equilibrium of a firm under monopolistic competition.
12. Elucidate the importance of collusion and price leadership.
13. Explain the concept of economies of scale.
14. Explain the features of mixed economic system.

PART - C

Answer any TWO questions not exceeding 900 words each:

(2x20=40 marks)

15. Discuss how the price is determined in a competitive market with a diagram.
16. Diagrammatically explain the Price, Income and Substitution effects under indifference curve analysis.
17. Explain the equilibrium under kinked demand curve model.
18. Discuss the law of variable proportions with relevant diagram.

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