LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – **ECONOMICS**

FIRST SEMESTER – **NOVEMBER 2022**

UEC 1501 – MICRO ECONOMICS - I

Date: 22-11-2022   Dept. No.   Max. : 100 Marks
Time: 01:00 PM - 04:00 PM

SECTION A

Answer ALL the Questions

1.	Choose the best answer		(5 x 1 = 5 marks)		
(a)	Responsiveness of quantity demanded due to change in price of substitute commodity is (a) Price elasticity of demand (b) Income elasticity of demand (c) Cross elasticity of demand (d) Promotional elasticity			K1	CO1
(b)	Slope of the budget line represents (a) Marginal Rate of Substitution (b) MRTS (c) Marginal Rate of Transformation (d) Ratio of Prices			K1	CO1
(c)	If Total Product is Maximum the Marginal Product will be (a) Equal to Zero (b) Greater than one (c) Less than one (d) Maximum			K1	CO1
(d)	Unrecoverable cost is referred as (a) Loss (b) Sunk cost (c) Explicit cost (d) Variable cost			K1	CO1
(e)	When the demand is perfectly inelastic, the demand curve is: (a) Parallel to X – axis (b) Parallel to Y-axis (c) Downward sloping curve (d) Upward sloping curve			K1	CO1

2.	State True or False	(5 x 1 = 5 marks)		
(a)	Change in income will shift the demand curve		K1	CO1
(b)	Indifference curves are concave to the origin		K1	CO1
(c)	If marginal product of a factor is negative, output can be increased by increasing the employment of that factor		K1	CO1
(d)	Opportunity cost refers to the cost of sacrificing the next best alternative		K1	CO1
(e)	Cartel is an example for Collusive oligopoly		K1	CO1

3.	Match the following		(5 x 1 = 5 marks)		
(a)	Homogeneous product	(i) Addition to total cost		K2	CO1
(b)	Indifference Curve	(ii) Monopoly		K2	CO1
(c)	Marginal Cost	(iii) Single buyer		K2	CO1
(d)	Monopsony	(iv) Marginal Rate of Substitution		K2	CO1
(e)	Absence of competition	(v) Perfect Competition		K2	CO1

4.	**Fill in the blanks**	**(5 x 1 = 5 marks)**		
a)	In economics, want satisfying power of a commodity is referred as _____		K2	CO1
b)	The locus of all those combination of goods which gives same level of satisfaction is denoted by		K2	CO1
c)	Cost of owner's factors of production is referred as _____		K2	CO1
d)	In the long run, price will be equal to _____ under perfect competition.		K2	CO1
e)	Indeterminateness of demand curve is feature of _____ market		K2	CO1

SECTION B

Answer any TWO of the following in 100 words   **(2 x 10 = 20 marks)**

5.	**Illustrate** the classification of elasticity of demand.	K3	CO2
6.	**Interpret** the properties of indifference curve.	K3	CO2
7.	**Paint** the nature of revenue curves under perfect and imperfect competition.	K3	CO2
8.	**Demonstrate** the features of monopolistic competition.	K3	CO2

SECTION C

Answer any TWO of the following in 100 words   **(2 x 10 = 20 marks)**

9.	**Analyse** the nature of demand for inferior goods with suitable example.	K4	CO3
10.	**Explain** the law of diminishing marginal utility.	K4	CO3
11.	**Distinguish** between returns to factor and returns to scale.	K4	CO3
12.	**Categorise** the degrees of price discrimination and give examples.	K4	CO3

SECTION D

Answer any ONE of the following in 250 words   **(1 x 20 = 20 marks)**

13.	**Summarise** the derivation of market demand curve.	K5	CO4
14.	**Defend** the stage of operation in the Law of Variable Proportion.	K5	CO4

SECTION E

Answer any ONE of the following in 250 words   **(1 x 20 = 20 marks)**

15.	**Invent** the factors responsible for economies and diseconomies of scale.	K6	CO5
16.	**Compose** the equilibrium of a monopolist with suitable diagrams.	K6	CO5

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