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(Pages : 2)

Reg. No...............................

Name...............................

B.A. DEGREE (C.B.C.S.S.) EXAMINATION, NOVEMBER 2015

First Semester

B.A. Economics (Model II)

Core Course—PRINCIPLES OF MICROECONOMICS

(2013 Admission onwards)

Time : Three Hours

Maximum : 80 Marks

Part A

Answer all questions.
Each question carries 1 mark.

Define the following :—

1. Positive economics.
2. Total Utility.
3. Elasticity of demand.
4. Cardinal Utility.
5. Giffen goods.
6. Supply function.
7. Substitution effect.
8. Production function.
9. Isocost line.
10. Average revenue.

$(10 \times 1 = 10)$

Part B

*Answer any **eight** of the following questions in a paragraph each.*
Each question carries 2 marks. (Not exceeding 100 words)

11. Distinguish between individual and market demand schedules.
12. Examine the law of Supply. Analyse the determinants of supply.
13. Write a note on microeconomic models.
14. What do you mean by production possibility frontier ?
15. Examine the properties of indifference curve.
16. What is meant by Income elasticity of demand ?
17. Explain the concepts of total utility and marginal utility.

Turn over

18. Distinguish between weak ordering and strong ordering.
19. What is an Engel curve ?
20. State the diamond-water paradox.
21. What do you mean by diseconomies of scale ?
22. What is a budget line ?

(8 × 2 = 16)

Part C

*Answer any **six** of the following questions in **one and a half pages** each.*
Each question carries 4 marks. (Not exceeding 150 words)

23. Examine in detail the goals of microeconomic policy.
24. What do you mean by market mechanism ? Analyse the role of government intervention.
25. Distinguish between changes in supply and changes in quantity supplied.
26. Explain the Law of equi- marginal utility.
27. What is Cob web theorem ?
28. Examine the exceptions to the law of demand.
29. Explain the Hicksian approach of decomposing price effect.
30. Analyze the Law of Variable proportions.
31. What do you mean by Cobb Douglas production function ? Examine the properties of the Cobb Douglas production function.

(6 × 4 = 24)

Part D

*Answer any **two** of the following questions not exceeding **four pages** each.*
Each question carries 15 marks.

32. Critically evaluate Consumer's equilibrium under the indifference curve anlaysis.
33. Analyse the concept of Price elasticity of demand and examine the various methods of its measurement.
34. Examine the Law of diminishing Marginal utility. State the exceptions of the law.
35. Explain the laws of returns to Scale.

(2 × 15 = 30)