

**PSG COLLEGE OF ARTS & SCIENCE**  
**(AUTONOMOUS)**  
**BA DEGREE EXAMINATION DECEMBER 2018**  
**(First Semester)**

Branch – **ECONOMICS**

**MICRO ECONOMICS – I**

Time: Three Hours

Maximum: 75 Marks

**SECTION-A (10 Marks)**

Answer **ALL** questions

**ALL** questions carry **EQUAL** marks

(10 x 1 = 10)

- 1 Arrange the definitions of economics in proper manner.
  - (i) Welfare – Wealth – Growth – Scarcity
  - (ii) Wealth– Welfare – Scarcity – Growth
  - (iii) Wealth – Welfare – Growth – Scarcity
  - (iv) Growth – Scarcity – Welfare – Wealth.
- 2 What are the main problems of economics?
  - (i) What produce
  - (ii) How to produce
  - (iii) For whom to produce
  - (iv) All of these.
- 3 For the Giffen goods, the demand curve will be
  - (i) Horizontal
  - (ii) Downward sloping
  - (iii) Upward Sloping
  - (iv) None of these.
- 4 A movement along the demand curve is called as
  - (i) An increase in Dd
  - (ii) A decrease in Dd
  - (iii) A change in qty Dd
  - (iv) None of these.
- 5 Identify the factor which generally keeps the price elasticity of demand for a Good Low.
  - (i) Variety of uses for that goods.
  - (ii) Close substitute for that goods
  - (iii) High proportion of Consumer's income spent on it
  - (iv) None of these.
- 6 For the inferior good, the income elasticity of demand is
  - (i) Positive
  - (ii) Zero
  - (iii) Negative
  - (iv) Less one.
- 7 The basis of all economic activities is
  - (i) Consumption
  - (ii) Production
  - (iii) Capital
  - (iv) Organisation
- 8 The total utility will be maximum, when the marginal utility is
  - (i) Minimum
  - (ii) High
  - (iii) Zero
  - (iv) Maximum
- 9 The \_\_\_\_\_ of Land is fixed.
  - (i) Production
  - (ii) Income
  - (iii) Supply
  - (iv) Demand.
- 10 Production function is a technical relation between \_\_\_\_\_ and output.
  - (i) Land
  - (ii) Productivity
  - (iii) Input
  - (iv) Capital.

**SECTION - B (25 Marks)**

Answer **ALL** questions

**ALL** questions carry **EQUAL** Marks

(5 x 5 = 25)

- 11 a Explain the wealth definition.

OR

- b Make a distinction between inductive and deductive methods.

- 12 a What are the exceptions to Law of Demand?  
OR  
b Explain the types of Elasticity of Supply.
- 13 a What is Cross Elasticity of Demand?  
OR  
b Explain the defects of Consumer's surplus.
- 14 a State the relationship between Total utility and Marginal utility.  
OR  
b Explain the Law of diminishing marginal utility.
- 15 a Point out the characteristics of Labour.  
OR  
b Briefly explain the concept of Laws of Returns.

**SECTION -C (40 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks (5 x 8 = 40)

- 16 a Explain the welfare definition and point out its defects.  
OR  
b Discuss about meaning, applicability of General Equilibrium.
- 17 a State the Law of Demand. What are the exceptions for it?  
OR  
b Narrate the concept of Law of Supply and its functions.
- 18 a Enumerate the different methods of measuring Elasticity of Demand.  
OR  
b Explain the features and its properties of Indifference curve analysis.
- 19 a Critically examine the Law of Equi-Marginal utility.  
OR  
b Evaluate the doctrine of Consumer's surplus with illustration.
- 20 a Explain the Law of Variable Proportions.  
OR  
b Discuss the Laws of Returns to Scale.

Z-Z-Z

END