

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BA DEGREE EXAMINATION DECEMBER 2024
(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 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Normative economics is based on a) Value judgements b) Facts c) Testing and implementation d) Hypothesis about economic behaviour	K1	CO1
	2	The ordinal utility is expressed in the form of a) rankings I,II, III. and so on b) Scale of preference c) Marginal rate of substitution d) All of these	K2	CO1
2	3	Time element was introduced by a) Marshall b) Ricardo c) Adam Smith d) Pigou	K1	CO2
	4	_____ performing the act of consumption is called consumer. a) The individual or family b) Society c) Government d) All of these	K2	CO2
3	5	The consumer is in equilibrium when he, a) Maximises his utility b) MRS = ratio of commodity prices c) Indifference curve be convex to the origin d) All of these	K1	CO3
	6	Indifference curves are a) Sloping downward b) Convex to the origin b) Two indifference curves cut each other c) Both a and b are correct	K2	CO3
4	7	Under the cross elasticity of demand between two substitute products, _____. a. If the price of one product increases, the demand for the other product will decrease b. If the price of one product decreases, the demand for the other product will decrease c. If the price of one product decreases, the demand for the other product will increase d. None of the above	K1	CO4
	8	The percentage change in quantity demanded to a unit change in price is called a) Elasticity of demand b) Elasticity of supply c) Inelasticity of demand d) Inelasticity of supply	K2	CO4

Cont....

5	9	The Cobb-Douglas production function assumes that the elasticity of substitution is a) Three b) Two c) one d) four	K1	CO5
	10	Law of diminishing returns to factors is relevant to a) long period b) short period c) Market period d) Very long period	K2	CO5

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Identify the inductive and deductive methods in economic analysis.	K1	CO1
	(OR)			
	11.b.	Write a short note on partial equilibrium analysis.		
2	12.a.	Find out the determinants of market demand.	K2	CO2
	(OR)			
	12.b.	Why the demand curves slope downwards?		
3	13.a.	Explain the properties of indifference curve.	K3	CO3
	(OR)			
	13.b.	Distinguish between cardinal utility and ordinal utility.		
4	14.a.	Summarise the factors determining elasticity of demand.	K3	CO4
	(OR)			
	14.b.	Describe the types of elasticity of supply.		
5	15.a.	Mention the uses of production function.	K2	CO5
	(OR)			
	15.b.	Illustrate the Producer's equilibrium in theory of production function.		

SECTION - C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Outline the central problems of an Indian economy.	K2	CO1
2	17	Diagrammatically derive the individual demand curve and market demand curve.	K3	CO2
3	18	Analyse the law of diminishing marginal utility.	K3	CO3
4	19	Explain the types of measuring price elasticity of demand.	K3	CO4
5	20	Interpret the law of variable proportions and its applicability in agrarian economy.	K2	CO5

Z-Z-Z END