

**PSG COLLEGE OF ARTS & SCIENCE**  
(AUTONOMOUS)

**BA DEGREE EXAMINATION DECEMBER 2025**  
(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

$(10 \times 1 = 10)$

Module No.	Question No.	Question	K Level	CO
1	1	Which one of the following definition of Economics is associated with the name of Lionel Robbins? a) Welfare definition      b) Scarcity definition c) Growth definition      d) Wealth definition	K1	CO1
	2	Micro economic theory studies how a free enterprise economy determines _____. a) The Price of goods      b) The price of services c) The price of resources      d) All of these	K2	CO1
2	3	Normally the demand curve will have a _____ shape. a) Upward sloping      b) Downward sloping c) Vertical      d) Horizontal	K1	CO1
	4	Law of demand shows a relation between the _____. a) Quantity demand and quantity supply of a commodity b) Income and quantity demand of a commodity c) Price and quantity of a commodity d) Income and price of a commodity	K2	CO1
3	5	____ refers to the want satisfying power of a commodity. a) Supply      b) Demand c) Utility      d) Indifference Curve	K1	CO1
	6	The indifference curve approach was fully developed by _____. a) Adam Smith      b) Alfred Marshall c) JR Hicks and RGD Allen      d) Paul Samuelson	K2	CO1
4	7	Which of the following goods is likely to have inelastic demand? a) Luxury cars      b) Salt c) Designer clothing      d) Smartphones	K1	CO1
	8	Which types of goods tend to have elastic supply? a) Necessities.      b) Inferior goods. c) Luxury goods.      d) Substitutable goods.	K2	CO1
5	9	Which of the following best describes the relationship between inputs and outputs in the process of production? a) Cost and revenue      b) Materials and matters c) A production function      d) Marginal rate of substitution	K1	CO1
	10	Which is the factor of production? a) land      b) labour c) capital      d) All of these	K2	CO1

**SECTION - B (35 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks

 $(5 \times 7 = 35)$ 

Module No.	Question No.	Question	K Level	CO
1	11.a.	Explain the methods of economic analysis.  (OR)	K2	CO1
	11.b.	Describe the Production Possibility Frontier.		
2	12.a.	Clarify the determinants of demand.  (OR)	K2	CO1
	12.b.	Elaborate the supply function.		
3	13.a.	Differentiate the total and marginal utility.  (OR)	K3	CO2
	13.b.	Classify the Properties of indifference curve.		
4	14.a.	Illustrate the measurement of elasticity of demand.  (OR)	K4	CO3
	14.b.	Point-out the determinants of elasticity of supply.		
5	15.a.	Analyze the factors of production.  (OR)	K4	CO4
	15.b.	Examine the marginal rate of technical substitution.		

**SECTION - C (30 Marks)**

Answer ANY THREE questions

ALL questions carry EQUAL Marks

 $(3 \times 10 = 30)$ 

Module No.	Question No.	Question	K Level	CO
1	16	Analyze the nature and scope of economics.	K4	CO5
2	17	Examine the market regulation during the period of Sher Shah Suri.	K4	CO4
3	18	Explain the Hicks and Slutsky's Price, Income and Substitution Effects.	K5	CO1
4	19	Illustrate the elasticity concepts in traditional agricultural practices.	K5	CO3
5	20	Explain the returns to scale.	K6	CO1