PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BA DEGREE EXAMINATION MAY 2026
(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	Production possibilities curve does not show: a) What to produce b) How to produce c) For whom to produce d)Productive potential under conditions of underemployment	K1	CO1
	2	The meaning of the word 'economic' is most closely associated with the word: a) Free b) Scarce c) Unlimited d) Unrestricted	K2	CO1
2	3	Theory of demand examines the behaviour of the-------- a Consumer b. Producer c Firm d. Industry	K1	CO1
	4	Change in demand due to a change in the price of related good -------. a. Cross demand b. Price demand c. Income demand d. All of these	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	Elasticity of supply for a positively sloped straight-line supply curve that intersects the price axis is ---. a. Equal to zero b. Equal to one c. Greater than one d. Constant	K2	CO1
5	9	Law of variable proportions is also known as ------. (a) Law of returns (b) Law of returns to factors (c) Returns to variable factors (d) All of the above	K1	CO1
	10	Which is the Factor of production? a)land b)labour c)capital d)All of these	K2	CO1

Cont...

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.	Explain the Positive vs Normative Economics.	K2	CO1
		(OR)		
	11.b.	Describe the Production Possibility Frontier.		
2	12.a.	Clarify the function of Market Demand.	K2	CO1
		(OR)		
	12.b.	Elaborate the determinants of supply.		
3	13.a.	Determine the law of diminishing marginal utility.	K3	CO2
		(OR)		
	13.b.	Classify the indifference properties.		
4	14.a.	Illustrate the advertisement elasticity of demand.	K4	CO3
		(OR)		
	14.b.	Point-out the determinants of elasticity of supply.		
5	15.a.	Analyze the Cobb-Douglas production function.	K4	CO4
		(OR)		
	15.b.	Examine the marginal rate of Technical Substitution.		

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	Analyze the Nature and Scope of economics.	K4	CO5
2	17	Determine the market regulation during the period of Sher Shah Suri.	K3	CO4
3	18	Explain the decomposition of price effects.	K2	CO1
4	19	Illustrate the Elasticity concepts in traditional Agricultural practices.	K4	CO3
5	20	Discuss about the producers equlibrium.	K2	CO1

Z-Z-Z END