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 (20 Marks)
Answer **ALL** questions
ALL questions carry **EQUAL** marks   (10 x 2 = 20)

1   Give the Marshall's definition of Economics.
2   Define Positive science.
3   State Law of Demand.
4   Define Dynamic equilibrium.
5   What do you meant by Elasticity of Demand?
6   Mention any four applications of concept of elasticity.
7   Define Cardinal utility.
8   State any two uses of the concept of Consumer surplus.
9   Define Production function.
10   What do you meant by Marginal rate of Technical substitution?

SECTION - B (25 Marks)
Answer **ALL** Questions
ALL Questions Carry **EQUAL** Marks   (5 x 5 = 25)

11 a   Distinguish between inductive method and deductive method.
             OR
    b   Draw the graph and explain production possibility frontier.

12 a   Explain why demand curve slopes downwards.
             OR
    b   Bring out the exceptions to Law of Demand with examples.

13 a   Explain the types of Elasticity of Demand.
             OR
    b   Write a note on Elasticity of Supply.,

14 a   Give an account on the Law of diminishing Marginal Utility.
             OR
    b   Draw and explain the applications of Indifference curve.

15 a   Briefly explain the Law of Variable proportions.
             OR
    b   Give the meaning and importance of Returns to Scale.

SECTION - C (30 Marks)
Answer any **THREE** Questions
ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

16   Distinguish and explain Partial equilibrium and General equilibrium.

17   Examine the determinants of Market Demand and give the Supply function.

18   Discuss the methods of measuring Elasticity of Demand.

19   Briefly explain price effect and substitution effect and derive demand curve.

20   Explain Cobb-Douglas Production function.