

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BA DEGREE EXAMINATION MAY 2024
(First Semester)

Branch – ECONOMICS
MICRO ECONOMICS – I

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

1. The 'Welfare definition' of Economics was introduced by _____
a. Adam Smith
b. Alfred Marshall
c. Lionel Robbins
d. J. R. Hicks
2. The demand curve for Giffen good is _____
a. Upward rising
b. Downward falling
c. Parallel to the quantity axis
d. Parallel to the price axis
3. According to Marshall, the basis of consumer surplus is _____
a. Law of diminishing marginal utility
b. Law of equi-marginal utility
c. Law of proportions
d. All of the above
4. Utility, according to Hicks and Allen _____
a. Is quantifiable in Cardinal numbers
b. Is quantifiable in ordinal numbers
c. It's impossible to quantify
d. Isn't possible to express
5. In Economics, production means _____
a. Manufacturing
b. Making
c. Creating utility
d. Farming

SECTION – B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

6. (a) Discuss the features of wealth definition of economics.
(OR)
(b) Write a short note about 'economic dynamics'.
7. (a) Why the demand curve slopes downwards?
(OR)
(b) Diagrammatically represent the contraction in demand and decrease in demand.
8. (a) What are the factors that determining elasticity of demand?
(OR)
(b) How a higher price is raises producer's surplus?

Cont...

9. (a) Make clear the implications of law of diminishing marginal utility.
(OR)
(b) Show attainment of the consumer equilibrium under cardinal approach.
10. (a) Illuminate the properties of the linear homogenous production function.
(OR)
(b) Describe the significance of Cobb – Douglas production function.

SECTION – C (30 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks

(5 x 6 = 30)

11. (a) Is economics positive or normative economics – Discuss?
(OR)
(b) Analyze the importance of studying micro economics.
12. (a) Demonstrate the law of supply with suitable example.
(OR)
(b) Critically examine the Walrasian adjustment process.
13. (a) Enumerate the various methods involved in measuring elasticity of demand.
(OR)
(b) Make clear the Marshal concept of Consumer surplus.
14. (a) Elaborate the properties of indifference curve.
(OR)
(b) Exhibit the decomposition of price effect into substitution effect and income effect.
15. (a) Appraise various types of returns to scale.
(OR)
(b) Reveal the determination of producer equilibrium with the help of Iso cost curve and Iso quant's curve.

Z-Z-Z END