

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BA DEGREE EXAMINATION MAY 2022
(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. Partial equilibrium approach is known as
 - (i) Walrasian approach
 - (ii) Adam Smith's approach
 - (iii) Marshall's approach
 - (iv) Samuelson's approach
2. The study of demand over two periods is called
 - (i) Static analysis
 - (ii) Comparative static analysis
 - (iii) Dynamic analysis
 - (iv) none of these
3. Willingness to pay – actual payment is equal to
 - (i) Producer's surplus
 - (ii) Consumer's surplus
 - (iii) Supplier's surplus
 - (iv) none of these
4. Total utility is maximum when marginal utility is.....
 - (i) Positive
 - (ii) Zero
 - (iii) Negative
 - (iv) minimum
5. The elasticity of substitution between labour and capital in Cobb-Douglas production function is
 - (i) Infinity
 - (ii) Zero
 - (iii) 1
 - (iv) none of these

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

6. a) Summarize the inductive method of economic analysis.
OR
b) Explain briefly the concept of equilibrium.
7. a) Describe the law of demand with illustration.
OR
b) Why does demand curve slopes downwards?
8. a) Sketch the various classification of elasticity of demand.
OR
b) How does the lower price affects the consumer's surplus?
9. a) State and explain the law of diminishing marginal utility with the help of a Schedule.
OR
b) State the properties of indifference curve with the help of diagram.
10. a) Narrate the concept of returns to scale in production analysis.
Or
b) State the properties of Cobb- Douglas production function.

Cont...

SECTION -C (30 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

11. a) Analyze the various definitions of economics.

OR

b) Discuss the partial and general equilibrium approaches in economic analysis.

12. a) Analyze the static and dynamic stability of market equilibrium.

OR

b) Identify the determinants of market demand.

13. a) Discuss the various methods of measuring elasticity of demand.

OR

b) Elucidate the various types of elasticity of supply with suitable examples.

14. a) Explain the consumer's equilibrium under ordinal utility approach.

OR

b) Critically examine the Samuelson's revealed preference theory of utility analysis.

15. a) Elucidate the law of variable proportions.

OR

b) Discuss the conditions of producer's equilibrium with the help of diagram.

Z-Z-Z END