



Reg. No	
Name	

B.A. DEGREE (C.B.C.S.S.) EXAMINATION, MAY 2024

Third Semester

Economics

Core Course—PRINCIPLES OF MICRO ECONOMICS

(2012—2016 Admissions—Mercy Chance)

[For Private Registration Candidates]

Time: Three Hours Maximum Weight: 25

Instructions: This question paper contains two sections. Answer Section I questions in the answer book provided. Section II Internal Examination questions must be answered in the questionpaper itself. Follow the detailed instructions in Section II.

Section I

Part A (Objective Type Questions)

Answer all questions.

Each bunch of **four** questions carries a weight of 1.

- I. Choose the correct answer:
 - 1 The process of reasoning from individual to the universal is:
 - (a) Deductive Method.
- (b) Inductive Method.

(c) Static.

- (d) None of these.
- 2 A body of systematical knowledge concerning what is:
 - (a) Positive Science.
 - (b) Normative Science.
 - (c) Natural Science.
 - (d) None of these.
- 3 An economy based on free market forces is:
 - (a) Socialist Economy.
- (b) Communist Economy.
- (c) Market Economy.
- (d) Command Economy.

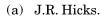
Turn over





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	4	Margin	al utility analysis is :		
		(a)	Ordinal utility analysis.		
		(b)	Cardinal Utility Analysis.		
		(c)	Both Cardinal and Ordinal.		
		(d)	None of these.		
II.	5	Which e	economist is an authority in	n mici	ro economics ?
		(a)	Stigler.	(b)	Mankiw.
		(c)	Keynes.	(d)	Stiglitz.
	6	MRTS i	is the slope of :		
		(a)	Isocost Line.		
		(b)	Indifference Curve.		
		(c)	Isoquant.		
		(d)	Production Possibilities.		
	7	In the c	ease of ordination:		
		(a)	Utility is measurable.		
		(b)	Utility is not measurable.		



(d) None of these.

(c) Utility is countable.

8 Indifference curve analysis is associated with:

- (b) J.B. Say.
- (c) Samuelson.
- (d) Malthus.





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III.	9	A dema	nd curve which is a rectangular hyper bola shows that the price elasticity of demand l to :
		(a)	Less than unity.
		(b)	Unity.
		(c)	Greater than Unity.
		(d)	Zero.
	10	If the I	ncome elasticity of demand is greater the one, the commodity is:
		(a)	A necessity.
		(b)	A Luxury.
		(c)	An Inferior Good.
		(d)	No non-related good.
	11	Under	Cardinal utility approach, when total utility increases, marginal utility:
		(a)	Diminishes and becomes negative.
		(b)	Increases and remains positive.
		(c)	Remains constant through out.
		(d)	None of these.
	12	Lines c	onnecting the ridge points of all isoquants are called :
		(a)	Price Lines.
		(b)	Ridge Lines.
		(c)	Production Space.
		(d)	Substitution Region.

Turn over





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IV.	13	Revealed	preference	theory is	propounded by

- (a) Samuel Son.
- (b) Malthus.
- (c) Hieks.
- (d) Keynes.

14 Cob web theory is related to:

- (a) State analysis.
- (b) Comparative Static.
- (c) Dynamic theory.
- (d) None of these.

15 In the case of perfectly elastic demand; the demand curve is:

- (a) Horizontal Straight Line.
- (b) Downward Sloping Curve.
- (c) Upward Sloping Curve.
- (d) Vertical Straight Line.
- 16 Nature and significance of Economic Science is the book written by:
 - (a) Adam Smith.
 - (b) Marshall.
 - (c) Robbins.
 - (d) Ricardo.

 $(4 \times 1 = 4)$

Part B (Short Answers)

Answer any **five** questions.

Each question carries a weight of 1.

- 17. Short Run Equilibrium.
- 18. Normative Economics.





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- 19. Income Effect.
- 20. Price Elasticity of Demand.
- 21. Exceptional Demand Curve.
- 22. Ordinal Utility.
- 23. Engel Curve.
- 24. Deductive Method.

 $(5 \times 1 = 5)$

Part C (Short Essays)

Answer any **four** questions, not exceeding 150 words.. Each question carries a weight of 2.

- 25. Explain the theory of demand.
- 26. Diagrammatically explain the different forms of price elasticity of demand.
- 27. What do you mean by the price mechanism? Discuss its role in an economy.
- 28. What is substitution effect? Make a distinction between the Hicksian and Slutsky's substitution effects.
- 29. Explain the law of equi-marginal utility.
- 30. Explain the cob-web model of equilibrium.

 $(4 \times 2 = 8)$

Part D (Long Essays)

Answer any **two** questions. Each question carries a weight of 4.

- 31. Critically evaluate the revealed preference theorem of Samuelson.
- 32. Explain the theory of returns to scale.
- 33. Analyse the consumer's equilibrium under indifference curve analysis.

 $(2 \times 4 = 8)$

