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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 Marginal utility analysis is :

- (a) Ordinal utility analysis.
- (b) Cardinal Utility Analysis.
- (c) Both Cardinal and Ordinal.
- (d) None of these.

II. 5 Which economist is an authority in micro economics ?

- (a) Stigler.
- (b) Mankiw.
- (c) Keynes.
- (d) Stiglitz.

6 MRTS is the slope of :

- (a) Isocost Line.
- (b) Indifference Curve.
- (c) Isoquant.
- (d) Production Possibilities.

7 In the case of ordination :

- (a) Utility is measurable.
- (b) Utility is not measurable.
- (c) Utility is countable.
- (d) None of these.

8 Indifference curve analysis is associated with :

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





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- III. 9 A demand curve which is a rectangular hyperbola shows that the price elasticity of demand is equal to :
- (a) Less than unity.
 - (b) Unity.
 - (c) Greater than Unity.
 - (d) Zero.
- 10 If the Income elasticity of demand is greater than 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 connecting 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 × 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 × 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 × 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 × 4 = 8)

