

**SECTION II**  
**[TO BE ATTACHED TO THE MAIN ANSWER-BOOK]**  
**B.A DEGREE CBCS PRIVATE EXAMINATION, MARCH 2025**  
**DO NOT WRITE YOUR REGISTER NUMBER OR NAME ANYWHERE IN THE**  
**SECTION II OF THE QUESTION PAPER**  
**EC2CRT02-MCQ - MICRO ECONOMIC ANALYSIS- I**

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Answer **all** questions.

All questions carry equal marks

Put a tick mark [✓] against the correct answer

1. The cost of one thing in terms of the alternative given up is called:  
(a) Real cost                      (b) Production cost  
(c) Physical cost                (d) Opportunity cost
2. Welfare definition of Economics was given by :  
(a) Adam smith                (b) Alfred Marshall  
(c) Lionel Robbins            (d) Samuelson
3. The budget-line is also known as the:  
(a) Iso-utility curve            (b) Production possibility line  
(c) Iso quant                    (d) Consumption possibility line
4. When an individual's income rises ( while everything else remains the same ), the person's demand for a normal good is:  
(a) Rises                        (b) Falls  
(c) Remain the same        (d) Any of the above
5. A firm's demand curve for a factor of production is equivalent to the:  
(a) Marginal product of the factor                      (b) Average revenue product curve of the factor  
(c) Total revenue product of the factor            (d) None of these
6. When demand curve is a rectangular hyperbola it represents:  
(a) Unitary elastic demand            (b) Perfectly elastic demand  
(c) Perfectly inelastic demand        (d) Relatively elastic demand
7. Marginal revenue will be Zero if the elasticity of demand is:

- (a) Less than 1      (b) Greater than 1
- (c) Equal to 1      (d) Equal to 0
8. Upward or downward of demand curve shows:
- (a) Change in quantity      (b) Change in price
- (c) Change in demand      (d) Change in supply
9. Which one of the following is the odd one?
- (a) Law of substitution      (b) Law of diminishing marginal utility
- (c) Indifference curve analysis      (d) Law of variable proportion
10. Each point on an indifference curve shows:
- (a) Different combinations of the one more commodity      (b) Different combinations of the same commodity
- (c) Different combination of the two commodities      (d) Different combination of level of satisfaction
11. Referring to consumer's behavior, equilibrium position can be described as:
- (a) The position at which the consumer is at present satisfied      (b) The position at which the consumer has no desire to have any more of a particular commodity
- (c) The position at which the consumer must have greater income in order to gain greater satisfaction      (d) None of these
12. Price effect is the sum total of:
- (a) Income and price      (b) Income effect and price effect
- (c) Income and price effect      (d) Income effect and substitution effect
13. Law of variable proportion comes under:
- (a) Short-run production function      (b) Long-run production function
- (c) Both (a) and (b)      (d) None of these
14. When the long run average cost curve is declining, it is tangent to:
- (a) The falling portion of short-run AC curves      (b) Rising portion of short-run curves
- (c) The minimum point of short-run AC curves      (d) The point of short-run MC curves
15. Social cost is equal to:
- (a) Private cost + implicit cost      (b) Money cost + implicit cost
- (c) Private cost + external cost      (d) Implicit cost + external cost
16. Increasing returns to scale can be explained in terms of:
- (a) Fixed scale of plant      (b) Labour productivity

- (c) Optimum factor proportions      (d) Economies of scale
17. Which of the following tend to MC curve to rise up?  
(a) Law of increasing returns to scale      (b) External diseconomies  
(c) Law of variable proportions      (d) Law of diminishing returns to scale
18. If demand is inelastic, a change in the price:  
(a) Will change the quantity in same direction      (b) Will change total revenue in same direction  
(c) Will change total revenue in the opposite direction      (d) Will not change the quantity
19. An increase in demand would cause supply curve to  
(a) Shift to the left      (b) Shift to the right  
(c) Change in slop of supply curve      (d) No effect on supply
20. Which is the other name that is given to the average revenue curve?  
(a) Profit curve      (b) Demand curve  
(c) Average cost curve      (d) Indifference curve

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No. of MCQ's Attempted :

Marks Scored :  
(To be entered by the examiner)

No. of MCQ's not Attempted :

**ATTACH SECTION II INTERNAL EXAMINATION MCQ PAPER  
WITH THE MAIN ANSWER BOOK**