

**Avinashilingam Institute for Home Science and Higher Education for Women
(Deemed to be University) Coimbatore -641 043
Bachelors Degree Examination – November 2018**

I Semester

Class: I UG

Time: 3 Hours

Major : Economics

Max.Marks: 100

18BECCO1 Micro Economics -I

PART –A

(10x1=10)

Circle the Correct Answer

1. When utility is created by changing the form of a commodity is called _____.
a. Service utility b. Form utility c. place utility d. time utility
2. _____ refers to the total amount of satisfaction derived from the consumption of a commodity.
a. Service utility b. Form utility c. Place utility d. Service utility
3. Giffen good is otherwise known as _____.
a. superior good b. Inferior good c. capital good d. consumer good
4. The concept of elasticity of demand is measured by _____.
a. Marshall b. Adam smith c. Keynes d. Paul Samuleson
5. The consumer will be in equilibrium when his price-income line or budget line is _____ to the highest indifference curve.
a. Parallel b. Perpendicular c. Tangent d. Straight line
6. Indifference curves are normally _____ to the origin.
a. Concave b. Convex c. Positive d. Negative
7. The Cobb-Douglas production function is homogeneous of degree _____.
a. 1 b. 0 c. infinity d. negative
8. The optimum position of the producer can be found with the help of _____.
a. Iso- cost curve b. Iso –product curve c. Iso-quant curve d. Indifference curve
9. The costs which are incurred by the society in producing goods and services _____.
a. Social costs b. Money costs c. Real costs d. Opportunity cost
10. _____ is the total sale proceeds of a firm by selling a commodity at a given price.
a. Total revenue b. Marginal revenue c. Average revenue d. Revenue

Part B

5 X 6=30

Answer the following

Answer should not exceed 400 words or two pages

11. a. List the assumptions of utility analysis.
(or)
11. b. Bring out the relationship between total utility and marginal utility.
12. a. What is cross elasticity of demand?
(or)
12. b. Explain the importance of consumer surplus.
13. a. Write a note on income effect.
(or)
13. b. What are the demerits of Indifference Curve?
14. a. State the peculiarities of labour.
(or)
14. b. Define producers equilibrium.
15. a. Distinguish between variable costs and fixed costs.
(or)
15. b. State the reasons for the U-shape of the short period AC curve.

Part C

5 x 12=60

Answer the following

Answer should not exceed 800 words or four pages

16. a. State and explain the law of diminishing marginal utility.
(or)
16. b. Critically examine the law of equi-marginal utility.
17. a. Explain the law of demand with suitable illustrations.
(or)
17. b. What are the methods of measuring elasticity of demand?
18. a. How does the indifference curve approach explain consumer's equilibrium?
(or)
18. b. Price effect is a combination of income & substitution effects -Examine.
19. a. Explain the law of variable proportions.
(or)
19. b. Explain the law of returns to scale.
20. a. What are the features of Long run average cost curve?
(or)
20. b. Explain the relationship between Average revenue and Marginal revenue curve.
