



Mamireddy

**Avinashilingam Institute for Home Science and Higher Education for Women**  
(Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956)  
Re-accredited with 'A+' Grade by NAAC. Recognised by UGC Under Section 12B  
Coimbatore - 641 043, Tamil Nadu, India

**Bachelor's Degree Examination – March 2021**  
**I Semester**

**Class : I UG**  
**Major : Economics**

**Time : 3 Hours**  
**Max. Marks: 100**

**18BECC01 Micro Economics I**

**Part A**  
**Choose the Correct Answer**

**10 x 1 = 10**

1. The measurement of utility is called as  
a. units                      b. meter                      c. kilos                      d. utils
2. The want satisfying power of the commodity is  
a. demand                      b. supply                      c. utility                      d. consumption
3. Which of the following is not a determinant of a consumer's demand for a commodity?  
a. Income                      b. Population  
c. Prices of related goods                      d. Tastes
4. Demand for luxuries is  
a. elastic                      b. inelastic                      c. unitary                      d. relatively inelastic
5. Indifference curve is always  
a. concave to the origin                      b. convex to the origin  
c. L shaped                      d. straight line
6. A consumer is in equilibrium when marginal utilities are  
a. increasing                      b. decreasing                      c. equal                      d. zero
7. Cobb-Douglas production function helps to estimate the relationship between  
a. demand and supply                      b. price and demand  
c. product and supplying                      d. input-output
8. The "Law of variable proportion" is first explained by  
a. Marshall                      b. Edward west                      c. Veblen                      d. Keynes
9. Marginal cost is closely related to  
a. fixed cost                      b. variable cost                      c. selling cost                      d. average cost
10. Total Revenue will be maximum at the point where Marginal Revenue is  
a. equal to one                      b. greater than one                      c. equal to zero                      d. less than one

**Part B**

**5 x 6 = 30**

**Answer ALL questions**

**Each answer should not exceed 400 words or two pages**

- 11.a. Explain the term utility.  
(or)  
11.b. What are the limitations of utility analysis?
- 12.a. Illustrate the Law of Demand.  
(or)  
12.b. Why demand curve slopes downward?
- 13.a. What are the Properties of an Indifferent Curve?  
(or)  
13.b. Analyse the merits of Indifferent Curve analysis.
- 14.a. List out the basic informations of CES production function.  
(or)  
14.b. Discuss the returns to Scale.
- 15.a. State the meaning of Cost.  
(or)  
15.b. Write any two types of revenue.

**Part C**

**5 x 12 = 60**

**Answer ALL questions**

**Each answer should not exceed 800 words or four pages**

- 16.a. Explain the Law of Diminishing Marginal Utility.  
(or)  
16.b. Illustrate the Law of Equi-Marginal utility.
- 17.a. Enumerate the factors affecting in demand curve.  
(or)  
17.b. Summarize the Consumer's Surplus.
- 18.a. Discuss the marginal rate of substitution.  
(or)  
18.b. Evaluate various effects of consumer equilibrium.
- 19.a. Examine the Law of variable proportion.  
(or)  
19.b. Sketch the Elasticity of supply.
- 20.a. Point out the various types of costs.  
(or)  
20.b. Describe the nature of the revenue curve.

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