



Avinashilingam Institute for Home Science and Higher Education for Women

(Deemed to be University Estd. u/s 3 of UGC Act 1956, Category A by MHRD)
Re-accredited with A++ Grade by NAAC. CGPA 3.65/4, Category I by UGC
Coimbatore - 641 043, Tamil Nadu, India

Continuous Internal Assessment Test II – October, 2025 Semester - I

Class : I B.A.
Major : Economics

Time: 2 hours
Maximum Mark: 60

23BECC01–Micro Economics - I

Course Outcome:

1. Have knowledge on the basic concepts in micro economics.
2. Understand the behavior of consumers and producers in market conditions.
3. Able to examine the practical relevance of economic theories.
4. Have ability to analyse current events from an economic perspective.
5. Develop knowledge that provides a foundation for pursuing lifelong learning.

Part - A

6 X 1= 6

Choose the Correct Answer

1. Which of the following is true about an indifference curve? (CO3, K2)
A) It slopes upward B) It is concave to the origin
C) It is convex to the origin D) It intersects the budget line
2. Consumer equilibrium is achieved when (CO3, K2)
A) Budget line is tangent to the indifference curve B) MRS is zero
C) Income is maximized D) Prices are equal
3. The Cobb-Douglas production function assumes (CO4, K4)
A) Constant returns to scale B) Fixed input proportions
C) Linear output D) No substitution between inputs
4. In the long run, all costs are (CO4, K4)
A) Fixed B) Variable C) Marginal D) Sunk
5. The shape of the marginal cost curve is typically (CO5, K4)
A) Horizontal B) U-shaped C) Downward sloping D) Vertical
6. Average revenue is equal to price under (CO5, K4)
A) Monopoly B) Oligopoly C) Perfect competition D) Monopolistic competition

Part - B

Answer the following

3 X 6=18

Answers should not exceed 400 words or two pages

7. (a) Differentiate income effect and substitution effect. (CO3, K2)
(OR)
7. (b) Discuss the merits and demerits of the Indifference Curve Analysis. (CO3, K2)
8. (a) Illustrate the Returns to Scale with suitable diagram. (CO4, K4)
(OR)
8. (b) Summarize the factor affecting Law of Supply. (CO4, K4)
9. (a) Examine the relationship between Average Cost and Marginal Cost (CO5, K4)
(OR)
9. (b) Explain the meaning and different Types of Cost (CO5, K4)

Part -C

Answer the following

3 x12=36

Answer should not exceed 800 words or four pages

10. (a) Describe the concept of the Marginal Rate of Commodity Substitution (MRCS). (CO3, K2)
(OR)
10. (b) Illustrate the concept of choice under uncertainty. (CO3, K2)
11. (a) Explain the CES production function. (CO4, K4)
(OR)
11. (b) Describe the concept of Cobb-Douglas Production Function. (CO4, K4)
12. (a) Discuss the relationship between Average Revenue and Marginal Revenue. (CO5, K4)
(OR)
12. (b) Describe the nature of AR and MR curves under monopoly (CO5, K4)

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