Reg.No. \_\_\_\_\_\_\_\_\_\_\_\_



**UNIVERSITY**

(Karunya Institute of Technology & Sciences)

(Declared as Deemed-to-be University under Sec.3 of the UGC Act, 1956)

**End Semester Examination – April/May – 2017**

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| **Code :** | **16BC2003** | **Duration :** | **3hrs** |
| **Sub. Name :** | **PRINCIPLES OF MICRO ECONOMICS** | **Max. marks :** | **100** |

**ANSWER ALL QUESTIONS (5 x 20 = 100 Marks)**

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| Q. No. | Sub Div. | Questions | Course  Outcome | Marks |
| 1. | a. | Define Market Economy. | CO1 | 2 |
| b. | What are the kinds of economic decisions? | CO1 | 3 |
| c. | Define Opportunity Cost and explain with an example. | CO2 | 5 |
| d. | What is Utility Analysis? | CO1 | 5 |
| e. | What is Indifference Curve Analysis? | CO1 | 5 |
| (OR) | | | | |
| 2. | a. | Explain the law of demand with a demand curve. | CO2 | 2 |
| b. | What is Movement along the demand curve? | CO2 | 2 |
| c. | Give Examples for Substitute goods and Complementary goods. | CO2 | 1 |
| d. | What is Shift in Demand Curve? | CO2 | 5 |
| e. | Discuss in detail the factors affecting demand for a commodity with examples. | CO2 | 10 |
| 3. | a. | Explain Law of Diminishing Marginal Utility | CO1 | 3 |
|  | b. | What is Advertisement Elasticity of Demand? | CO2 | 2 |
|  | c. | Explain the concept of Price Elasticity of Demand with graphs. | CO2 | 5 |
|  | d. | Explain the concept of Income Elasticity of Demand. | CO2 | 5 |
|  | e. | Discuss the factors determining the elasticity demand with examples. | CO2 | 5 |
| (OR) | | | | |
| 4. | a. | What is Total Cost? | CO3 | 4 |
|  | b. | What is Average Cost? | CO3 | 4 |
|  | c. | What is AFC and AVC? | C03 | 4 |
|  | d. | AC is the sum of AFC and AVC. Explain with the help of a schedule. | CO3 | 4 |
|  | e. | Draw TFC and AFC curve in a single graph and explain. | CO3 | 4 |
| 5. | a. | What are the Factors of Production? | CO3 | 2 |
|  | b. | Explain Production Function, Total Product and Average Product. | CO3 | 3 |
|  | c. | Explain the Law of Production in the Short –Run. | CO3 | 5 |
|  | d. | Explain the Law of Production in the Long-Run. | CO3 | 5 |
|  | e. | Distinguish between Returns to a Variable factor and Returns to Scale. | CO3 | 5 |
| (OR) | | | | |
| 6. | a. | What are Economies of Scale? | CO3 | 3 |
|  | b. | What are Diseconomies of Scale? | CO3 | 3 |
|  | c. | What is Fixed Cost and Variable Cost ? Give Examples. | CO3 | 4 |
|  | d. | Discuss the Short run Cost –Output Behaviour. | CO3 | 5 |
|  | e. | Discuss the Long run Cost –Output Behaviour. | CO3 | 5 |
| 7. | a. | What is Total Revenue? | CO3 | 4 |
|  | b. | What is Average Revenue? | CO3 | 4 |
|  | c. | What is Marginal Revenue ? | CO3 | 4 |
|  | d. | What is the relationship between TR,Price and Quantity Sold? | CO3 | 4 |
|  | e. | Prove with an Example that AR is equal to price. | CO3 | 4 |
| (OR) | | | | |
| 8. | a. | What is Perfect Competition ?What are its features? | CO2 | 2 |
|  | b. | What is Monopolistic Competition?Give Examples. | CO2 | 3 |
|  | c. | What is Market Structure? What are its types? | CO2 | 5 |
|  | d. | Explain how price is determined in Perfect Competitive Market. | CO2 | 5 |
|  | e. | Explain Kinked demand curve model of Oligopoly. | CO2 | 5 |
|  | | **Compulsory:** |  |  |
| 9. | a. | Explain Marginal Cost with example. | CO2 | 4 |
|  | b. | What is Micro Economics and Macro Economics ? | CO1 | 4 |
|  | c. | Explain Cross Elasticity of Demand. | CO2 | 4 |
|  | d. | Explain Oligopoly with examples. | CO3 | 4 |
|  | e. | Explain Monopoly with examples. | CO3 | 4 |

ALL THE BEST