

Enrollment No.....



Faculty of Commerce
End Sem Examination Dec 2024

CM3EG11 Micro Economics

Programme: B.Com. (Hons.) Branch/Specialisation: Commerce

Duration: 3 Hrs.**Maximum Marks: 60**


Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d. Assume suitable data if necessary. Notations and symbols have their usual meaning.

		Marks	BL	PO	CO	PSO
Q.1	i. Which of the following is one of the major causes of economic problems?	1	1	1, 3	1	1, 4
	(a) One of the major causes of economic problems is unlimited human wants					
	(b) One of the major causes of economic problems is the alternative usage of resources					
	(c) One of the major causes of economic problems is the scarcity of economic resources					
	(d) All of these					
	ii. Which of the following is a part of microeconomics?	1	1	1, 3	1	1
	(a) Factor pricing					
	(b) National income					
	(c) Both (a) and (b) are correct					
	(d) Both (a) and (b) are incorrect					
	iii. As per law of demand, demand and price of a good are _____ related.	1	1	1, 3	2	1
	(a) Directly					
	(b) Inversely					
	(c) Positively					
	(d) Not					
	iv. An indifference curve analysis was developed by _____.	1	1, 3	1, 2	2	1
	(a) Smith and Ricardo					
	(b) Marshall and Pigou					
	(c) Allen and Hicks					
	(d) Mundell and Fleming					

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v.	Which cost must be paid even if the firm's level of output is zero? (a) Variable (b) Indirect (c) Semi variable (d) Fixed	1	2	3	3 1
vi.	If a production function exhibits diminishing marginal product, its slope (a) Is linear (a straight line) (b) Becomes steeper as the quantity of the input increases (c) Could be any of these answers (d) Becomes flatter as the quantity of the input increases	1	2	3	3 1
vii.	Which of the following markets would most closely satisfy the requirements for a competitive market? (a) Electricity (b) Cable television (c) Cola (d) Milk	1	2	5	4 1
viii.	Which of the following is a sign of a free economy? (a) The prices are regulated (b) The prices are partly regulated (c) The prices are determined with the help of the forces of demand and supply (d) None of these	1	2	5, 6	4 1
ix.	According to Prof Knight, profit is the reward for- (a) Innovation (b) Capital (c) Foreseeable risks (d) Uncertainty bearing	1	1	7, 6	5 1
x.	Changes in the rate of interest affect the amount of money held for- (a) Transaction motive (b) Precautionary motive (c) Speculative motive (d) Normal motive	1	2	7	5 1
Q.2	i. What do you mean by deductive method?	2	1	3	1 1, 4
	ii. What are causes of economics problems?	3	1	3	1 1, 4, 5
	iii. Explain utility of economics in business.	5	2	1, 3, 6	1

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OR	iv. Write down the differences between micro and macro economics?	5	2	1	1 1, 4, 5
Q.3	i. Why do demand curves slope downward?	2	2	2, 5	2 1, 4
	ii. Explain the impact of changing price of a good on consumer equilibrium using indifference curves.	8	3	2, 5	2
OR	iii. What is elasticity of demand? What are the various methods of computing elasticity of demand?	8	3	2, 3	2 1, 4
Q.4	i. Explain a production function.	3	2	2, 3	3 1, 5
	ii. Explain the law of diminishing return to factor with the help of table and diagram.	7	3	3	3 1, 5
OR	iii. What do you mean by TR, MR and AR? Explain with table and diagram.	7	2	3, 5	3 1, 5
Q.5	i. Explain Kinked demand curve with graph.	4	3	5	4 1, 4, 5
	ii. Derive the equilibrium condition for: (a) A perfectly competitive firm (b) For a monopoly	6	3	5	4 1, 4, 5
OR	iii. What do you mean by Oligopoly market? Explain its main features.	6	2	5	4 1, 4, 5
Q.6	Attempt any two:				
	i. Explain classical theory of interest.	5	2	5, 6	5 1, 4, 5
	ii. Define role of innovation in economic development.	5	1	5, 6	5 1, 4, 5
	iii. Write a short note on shackle's theory of profit.	5	2	5, 6	5 1, 4, 5

Scheme of Marking

 <p>Medi-Caps UNIVERSITY Knowledge is Power</p>	<p>Faculty of Commerce End Sem Examination Dec 2024 CM3EG11 Micro Economics</p>	
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Note: The Paper Setter should provide the answer wise splitting of the marks in the scheme below.

Q.1 Ans	i)	✓ All of the above	1
	ii)	✓ Factor pricing	1
	iii)	✓ Inversely	1
	iv)	✓ Allen and Hicks	1
	v)	✓ Fixed.	1
	vi)	✓ Becomes flatter as the quantity of the input increases.	1
	vii)	✓ COLA	1
	viii)	✓ The prices are determined with the help of the forces of demand and supply	1
	ix)	✓ Uncertainty bearing	1
	x)	✓ (c) speculative motive	1
Q.2	i.		2
	ii.		3
	iii.		5

OR	iv.		5
Q.3	i.		2
	ii.		8
OR	iii.		8
Q.4	i.		3
	ii.		7
OR	iii.		7
Q.5	i.		4
	ii.		6
OR	iii.		6
Q.6			
	i.		5
	ii.		5
	iii.		5

- Q. 2(i) Write the meaning of deductive method — 02 marks — (02)
- Q. 2(ii) Write any three causes of economic problems each carry one mark — (03)
- Q. 2(iii) Explain Scarcity of economics in business each carry one mark — (05)
- OR Q. 2(iv) Write any ~~three~~ 5 differences betⁿ micro & Macro economics — (05)
- Q. 3(i) Elaborate why demand curves slope downwards — (02)
- Q. 3(ii) Explain with diagram the impact of changing price of a good on consumer equilibrium using indifference curves — 02 marks — (08)
- OR Q. 3(iii) Write about the elasticity of demand — 02 and Explain any three method to computing elasticity of demand each carry 02 marks = 6 — (08)
- Q. 4(i) Explain production function — (03)
- Q. 4(ii) Define law of diminishing return to factor — 02] 07 — (07)
- (a) - Assumptions — 01
- (b) Explanation with table & diagram — 04
- OR Q. 4(iii) Write the meaning of TR, MR & AR each carry one mark — 03] 07 — (07)
- Explain TR, MR & AR with table & diagram. — 04
- Q. 5(i) Explain kinked demand curve with graph — (03)
- Q. 5(ii) Define the equilibrium condition for perfect competition — (03)
- OR Q. 5(iii) Define the equilibrium condition for monopoly market — (03)
- Q. 5(iii) Write the meaning of oligopoly — 02] — (06)
- (b) Explain any four features of oligopoly market — 04
- Q. 6(i) (a) meaning of interest — 01] 05 — (05)
- (b) Assumptions — 01
- (c) Explain with diagram — 03
- Q. 6(ii) Define role of innovation in economic development — (05)
- Q. 6(iii) Elaborate Shackle's Theory of profit — (05)