

# St. Claret College

Autonomous, Bengaluru

Roll No:  
Date:

UG END SEMESTER EXAMINATION-DECEMBER 2024

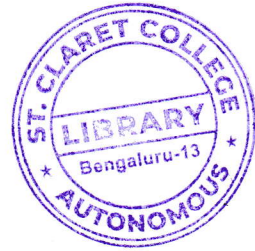
BA/BSC- I SEMESTER

EC 124: MICRO ECONOMICS

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TIME: 3 hours

MAX. MARKS: 80



This paper contains THREE printed pages and FOUR parts

**Instructions:**

1. Verify and ensure that the question paper is completely printed.
2. Any discrepancies or questions about the exam paper must be reported to the COE within 1 hour after the examination.
3. Students must check the course title and course code before answering the questions.

**PART-A**

Answer all the questions. Each answer carries ONE mark.

[1x 10 = 10]

1. According to the law of demand, if the price of a good increases, then:  
A) Quantity demand decreases      B) Quantity demand increases  
C) Demand curve shifts left      D) Demand remains unchanged
2. What shape does the marginal revenue curve typically have in the perfect competition market?  
A) Horizontal line      B) L-Shape  
C) U-Shape      D) Downward Sloping
3. Which cost changes with the output in the short run?  
A) Variable cost      B) Marginal cost  
C) Fixed cost      D) Total cost
4. In the total expenditure method, elasticity is measured based on the change in which variable?  
A) Total expenditure      B) Price  
C) Quantity      D) Total revenue
5. The total cost and total revenue approach helps in finding:  
A) Consumer equilibrium      B) Market Price  
C) Profit-maximizing output      D) Consumer surplus
6. In perfect competition are \_\_\_\_\_  
A) Price Makers      B) Price Takers  
C) Both A and B      D) Market determiners

7. Which concept describes a situation where a welfare improvement is reversed but still considered an improvement?
 

A) Pareto optimality	B) Compensation principle
C) Scitovsky paradox	D) Marginal utility of income
8. The law of variable proportions relates to which period of production
 

A) Short run	B) Market period
C) Long run	D) Indefinite period
9. Price rigidity is most closely associated with which market structure?
 

A) Perfect competition	B) Monopolistic competition
C) Monopoly	D) Oligopoly
10. What does the Bergson-Samuelson social welfare function aim to represent?
 

A) The total cost of production	B) The distribution of income
C) The overall welfare of society	D) The profit-maximizing level of output

### PART-B

**Answer any FIVE questions. Each answer carries TWO marks.**

**[5 x 2 = 10]**

11. Define micro economics?
12. What is Delphi method?
13. Mention the factors of production.
14. What is welfare economics
15. What is marginal rate of substitution?
16. What are the types of elasticity of demand?
17. What is Quasi-Rent?

### PART-C

**Answer any FOUR questions. Each answer carries FIVE marks.**

**[4 x 5 = 20]**

18. Explain the feature of welfare Economics.
19. Explain the factors determining demand.
20. Explain the relationship between average cost and marginal cost curves.
21. Explain the Kaldor-Hick compensation criteria of welfare.
22. Explain the law of demand with a demand schedule and a diagram?
23. Explain the features of oligopoly market.

### **PART-D**

**Answer any FOUR questions. Each answer carries TEN marks.**

**[4 x 10=40]**

24. Discuss the law of variable proportions and its stages of production.
25. What is the indifference curve? Explain its features.
26. Critically evaluate price and output determination under monopolistic in short run.
27. Critically evaluate Bergson Samuelson social welfare function.
28. Write a note on demand curve of oligopoly market.
29. Briefly explain Keynesian theory of interest.

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