St. Claret College

Roll No:
Date:

Autonomous, Bengaluru

UG END SEMESTER EXAMINATION-NOVEMBER 2025

BA/BSC- I SEMESTER

II

EC 124: MICRO ECONOMICS

TIME: 3 hours MAX. MARKS: 80

This paper contains TWO 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. **[10x 1 = 10]**

1. What is the objective of demand forecasting?
   A) To determine fixed costs B) To predict future demand
   C) To calculate elasticity D) To measure consumer surplus
2. What shape does the average revenue curve typically have in the perfect competition market?
   A) Horizontal line B) L-Shape
   C) U-Shape D) Downward Sloping
3. What is the relationship between average revenue (AR) and marginal revenue (MR) in perfect competition?
   A) AR > MR B) AR < MR
   C) AR = MR D) AR is unrelated to MR
4. Which market structure is characterized by a single seller?
   A) Perfect competition B) Monopolistic competition
   C) Oligopoly D) Monopoly
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. What is the relationship between total cost (TC) and total revenue (TR) at the profit-maximizing level of output?
   A) TC > TR B) TC < TR
   C) TC = TR D) TC and TR are unrelated

7. Which of the following is associated with the Kaldor-Hick's welfare criterion
   A) Pareto optimality B) Compensation principle
   C) Scitovsky paradox D) Marginal utility of income
8. The law of returns to scale relates to which period of production
   A) Short run B) Market period
   C) Long run D) Indefinite period
9. What is a primary problem in measuring welfare in economics?
   A) Measurement of prices B) Estimating consumer preferences
   C) Quantifying goods D) Calculating total cost
10. The price war is primarily associated with which market structure?
    A) Perfect competition B) Monopoly
    C) Monopolistic competition D) Oligopoly

PART-B

Answer any FIVE questions. Each answer carries TWO marks. **[5 x 2=10]**

11. Define economics.
12. What is demand forecasting?
13. Define supply.
14. What is cross elasticity of demand?
15. What is consumer's sovereignty?
16. Differentiate between fixed cost and variable cost.
17. What is marginal rate of technical substitution?

PART-C

Answer any FOUR questions. Each answer carries FIVE marks. **[4 x 5 =20]**

18. Explain the methods of studying economics.
19. Explain the factors determining demand.
20. Describe the U-shape of the long-run average cost curve with a diagram.
21. Briefly explain price discrimination in a monopoly.
22. Explain the features of monopolistic competition.
23. Briefly explain the relation between AR & MR Curves.

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 monopoly in short run.
27. Explain the marginal productivity theory of distribution.
28. Critically evaluate Kaldor-Hick compensation criteria of welfare.
29. Explain the factors determining internal & external economies to scale.

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