

NS1-451

**DEGREE EXAMINATIONS:: MARCH - 2023
FIRST SEMESTER
PART- II
ECONOMICS
PAPER – I, MICROECONOMIC ANALYSIS
(New Regulations 2020-21)**

Time: 3 Hours

Max. Marks: 75

SECTION – A

**Write Short answer for any FIVE of the following.
Each Question carries FIVE marks [5 X5 =25 Marks]**

1. "Scarcity and Choice" are the fundamental economic problems. Explain with a simple example of your own.
2. Define the concept of "Opportunity Cost".
3. Define the concept of Marginal Rate of Substitution and its importance.
4. Define Consumers' Surplus and state its applications in economics.
5. List out the traditional objectives of a firm.
6. Define elasticity of supply and determine its determinants.
7. State the reason for price stickiness in the Oligopoly market.
8. Write a short note on the subsistence theory of wages.

Continued.....2

::2::

SECTION – B [5 X5 =25 Marks]

Answer FIVE Questions.

Each Question carries TEN marks

9. (a). Distinguish between Microeconomics and Macroeconomics and their importance.
Or
(b). What is production Possibility Curve? How do you derive it? Explain its significance.
- 10 (a) Discuss consumer's equilibrium under Indifference curve analysis.
Or
(b). State the Law of demand. Discuss the Law of Diminishing Marginal Utility as the principle determining the shape of the Demand Curve.
11. (a) Define Production Function. Discuss the properties of Cobb-Douglas Production function.
Or
(b). Derive various cost curves under Traditional Theory of Cost and their interrelationship in terms of suitable diagrams.
12. (a). Explain the determination of price and output in the short- run and in the long-run under Perfect Competition.
Or
(b) What is Monopolistic competition? Critically examine its heroic assumptions, price and output determination in the short-run.
13. (a). Critically examine the Ricardian Theory of Rent and its implications for the functional distribution of income among the factors of production.
Or
(b) Discuss Loanable Fund Theory of interest.
