

**Code No.: 3432**

**Sub. Code: R 3 EC 11**

**B.A. DEGREE EXAMINATION, NOVEMBER 2008.**

**First Semester**

**Economics - Main**

**MICRO ECONOMICS - I**

**(For those who joined in July 2008 and onwards)**

**Time: Three hours**

**Maximum : 75 marks**

**PART A - (10 x 1 = 10 marks)**

**Answer ALL the questions.**

**Each question carries 1 mark.**

1. An economics is defined as a body of systematised knowledge concerning 'What is' is
  - (a) positive economics
  - (b) normative economics
  - (c) static economics
  - (d) dynamic economics.
2. A method which is concerned with 'general to particular' is
  - (a) deduction method
  - (b) inductive method
  - (c) static method
  - (d) dynamic method.
3. The want satisfying power of a commodity is
  - (a) utility
  - (b) demand
  - (c) value
  - (d) price.
4. The table showing how much of a commodity is supplied at different prices in a market is termed as
  - (a) demand schedule
  - (b) supply schedule
  - (c) indifference schedule



**PART B - (5 x 5 = 25 marks)**

**Answer ALL questions.**

**Answer in a small paragraph in about 250 words each.**

**Each question carries 5 marks.**

11.(a) Explain briefly the wealth definition of economics.

Or

(b) Distinguish between positive and normative economics.

12.(a) Briefly explain the classification of human wastes.

Or

(b) Write a short note on 'Giffen paradox'.

13.(a) Briefly explain income elasticity of demand.

Or

(b) Bring out the properties of indifference curve analysis.

14.(a) Explain briefly the factors of production.

Or

(b) Bring out any three merits and demerits of small scale production.

15.(a) State and explain the linear homogeneous production function.

Or

(b) Distinguish between average cost and marginal cost.

**PART C - (5 x 8 = 40 marks)**

**Answer ALL questions.**

**Answer in a small paragraph in about 600 words each.**

**Each question carries 8 marks.**

16.(a) Describe the subject-matter of economics.

Or

(b) Examine the main divisions of economics.

17.(a) Examine the law of equi-marginal utility.

Or

(b) Explain the concept of consumer surplus and bring out its importance.

18.(a) Explain the various kinds of elasticity of demand with suitable example.

Or

(b) Explain consumer's equilibrium in terms of indifference curves.

19.(a) Explain the importance of factors of production.

Or

(b) Explain the merits and demerits of large scale production.

20.(a) Briefly explain the types of production functions.

Or

(b) Explain the law of increasing returns.