Reg. No.: ....

Name: ....

W7591

University of Kerala

First Semester FYUGP Degree Examination, December 2025

Discipline Specific Core Course

ECONOMICS

UK1DSCECO101 - Fundamentals of Micro Economics

Academic Level: 100-199

2025-Admission

Time: 2 Hours(120 Mins) **Max. Marks: 56**

Part A.6 Marks:Time 5 Minutes.(Cognitive Level :Remember(RE)/Understand(UN)) Objective Type.1 mark each, Answer all questions

Qn No.	Question	CL	CO
1	When demand is perfectly elastic, the demand curve is Options : A)Vertical B)Horizontal C)Upward sloping D)Downward sloping	RE	1
2	Incremental cost of producing one more unit of a commodity is Options : A)Variable Cost B)Fixed Cost C)Marginal Cost D)Average Cost	RE	3
3	According to the Pareto Criterion, a change is good if Options : A)Everyone gains B)Someone gains and no one loses C)Some lose and some gain D)Government says so	UN	1
4	Indifference curves are usually Options : A)Concave B)Straight C)Convex to the origin D)Vertical	UN	1
5	Which goods show direct relationship between price and quantity demanded? Options : A)Normal goods B)Giffen goods C)Complementary goods D)Luxury goods	UN	1
6	What is the shape of an isoquant?	UN	3

Qn No.	Question	CL	CO
	Options : A)A) Concave B)B) Convex C)C) Horizontal straight line D)D) Vertical straight line		

Part B.10 Marks.Time:20 Minutes (Cognitive Level:Understand(UN)/Apply(AP))Two-three sentences.2 marks each.Answer all questions

Qn No.	Question	CL	CO
7	Distinguish between cardinal and ordinal approaches of utility	UN	2
8	7) What is welfare Economics?	UN	2
9	Explain the Law of Diminishing Marginal Utility with a simple example.	AP	2
10	what do you mean by price discrimination? Ilustrate different degres of price discrimination.	AP	4
11	Suppose a consumer is willing to pay ₹100 for a product but the market price is ₹60. Calculate the consumer surplus.	AP	1

Part C.16 Marks.Time:35 Minutes.(Cognitive Level :Apply(AP)/Analyse(AN))Short Answer.4 marks each, Answer all 4 questions,choosing among options * within each question

Qn No.	Question	CL	CO
12	A) Explain, with the help of a diagram, how a change in demand affects the equilibrium price and quantity? OR B) Explain Constrained output maximization and Constrained cost maximization	AP	3, 4
13	A) Apply the features of perfect competition and explain how the entry of new firms in the long run brings the industry back to normal profit. OR B) 15 Explain income effect and substitution effect with diagrams.	AP	3, 2
14	A) Using graphical analysis, examine how demand and supply interact to determine equilibrium.	AN	4, 4

Qn No.	Question	CL	CO
	OR B) Analyze Kaldor Hicks Compensation criterion		
15	A) When a firm’s isoquants are smooth and the price of inputs remains constant, the expansion path is a straight line through the origin. Analyse why? OR B) Analyse the consumer equilibrium under Ordinal Utility analysis.	AN	3, 2

Part D.24 Marks.Time: 60 Minutes.(Cognitive Level :Analyse(AN)/Evaluate(EV)/Create(CR)) Long Answer 6 Marks each.Answer all 4 questions choosing among options * within each question

Qn No.	Question	CL	CO
16	A) Analyze the degrees of price elasticity of demand. OR B) Price rigidity is the reason for kinked demand curve under oligopoly. Analyse	AN	2, 4
17	A) Which are the different forms of market? Discuss the features of each market OR B) Evaluate the different types of Elasticity of Demand	EV	4, 3
18	A) Evaluate the impact of change in demand and supply in Market equilibrium OR B) Evaluate whether the indifference curve approach provides a more realistic explanation of consumer behaviour compared to the marginal utility theory.	EV	3, 3
19	A) Create your own example of a monopolistic competition firm and design a simple demand curve for it.	CR	3, 2

Qn No.	Question	CL	CO
	OR B) 26) Create a diagram of law of variable proportions show increasing, diminishing and negative returns.		