Reg. No.: ....

Name: ....

University of Kerala

W7816

First Semester FYUGP Degree Examination, December 2025

Discipline Specific Core Course

ECONOMICS

UK1DSCECO101 - Fundamentals of Micro Economics

Academic Level: 100-199

2024-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	Under a perfectly competitive market structure, the nature of the commodities sold by different firms is characterized by: Options : A) Product differentiation based on branding and features B)Homogeneous products with no buyer preference for any specific seller C)Goods distinguished by unique quality attributes across firms D)Durable goods with long replacement cycles	RE	4
2	A Giffen good is one for which, Options : A)Demand increases as income increases B)Demand decreases when price rises C)Demand increases when price rises D)Supply decreases when price increases	RE	1
3	According to the **Law of Demand**, if the price of a commodity rises, the quantity demanded: Options : A)Rises B)Falls C) Remains unchanged D)May either rise or fall depending on income	UN	5
4	The line that depicts all different combinations of two things that a consumer can buy by spending all of his income, given the money income and price, is called Options : A)Production line B)Iso cost line C)Price ratio D)Budget line	UN	1
5	Returns to Scale relates to: Options : A)Change in output due to change in one variable input B)Change in output due to change in all inputs C)Change in cost due to change in output D)None of the above	UN	2

Qn No.	Question	CL	CO
6	The slope of indifference curve is known as, Options : A)Marginal Rate of Substitution B)Marginal Rate of Technical substitution C)Marginal Returns D)Iso cost lines	UN	1

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	What are the properties of Iso-quants?	UN	1
8	Give features of oligopoly.	UN	2
9	If a firm's MR is zero, what can you say about its TR? Explain briefly.	AP	3
10	State two features of oligopoly.	AP	2
11	Using an example, explain consumer surplus.	AP	3

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) Do all demand curve slope downward? OR B) Apply the concept of monopoly pricing and explain how a monopolist decides price and output when demand becomes more elastic due to the entry of substitutes.	AP	3, 3
13	A) Apply the Law of Diminishing Marginal Utility to explain why consumers prefer to buy smaller quantities at higher prices and larger quantities at lower prices. OR B) A shop reduces the price of rice from ₹45 per kg to ₹38 per kg. As a result, the quantity demanded rises from 98 kg to 112 kg. Calculate price elasticity of demand.	AP	3, 5
14	A)	AN	3, 4

Qn No.	Question	CL	CO
	Analyse how the Income Consumption Curve (ICC) changes for normal and inferior goods. OR B) Explain the concept of price discrimination under monopoly. What are the various degrees of price discrimination		
15	A) Analyse the various shifts factors that causes changes in the demand and supply curve of a commodity. OR B) What are Returns to Scale? Explain the difference between increasing, constant, and decreasing returns to scale with diagrams.	AN	2, 3

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) Analyse why the demand curve slopes downward and explain the exceptions . OR B) Analyze the concept of Welfare Economics	AN	1, 4
17	A) Evaluate the impact of change in demand and supply in Market equilibrium. OR B) Evaluate whether the indifference curve theory provides a better understanding of consumer behaviour than cardinal utility analysis.	EV	4, 2
18	A) Evaluate the equilibrium output and price determination under a monopoly market in the long run? OR B) Evaluate the equilibrium of a perfectly competitive market both in the short run and long run.	EV	4, 4

Qn No.	Question	CL	CO
19	A) Create a policy proposal to reduce inefficiency in monopoly markets. OR B) Create a situation where improving one person's welfare leads to a loss for another, using the concept of Pareto welfare criterion.	CR	5, 4