Reg. No.: ....

Name: ....

W7822

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	Market equilibrium occurs when Options : A)Supply > Demand B)Demand > Supply C)Supply = Demand D)Price is zero	RE	1
2	What does the Marginal Rate of Technical Substitution show ? Options : A)Rate of Cost increase B)Rate at which one input replaces another C)Change in revenue D)Output maximisation	RE	1
3	What is the market condition where there is only a single seller Options : A)Monopsony B)Perfect competition C)Oligopoly D)Monopoly	UN	2
4	If the Income Consumption Curve (ICC) for a good slopes upward to the right, what can be definitively concluded about the good? Options : A)The good is a normal good. B)The price elasticity of demand for the good is greater than 1. C)The consumer's total expenditure on the good is constant. D)The good is a Giffen good.	UN	2
5	When demand for a product rises due to an increase in consumer income, it is called: Options : A)Giffen demand B)Inferior demand C)Normal demand D)Joint demand	UN	2
6	If price elasticity of demand = 0, demand is:	UN	1

Qn No.	Question	CL	CO
	Options : A)Perfectly elastic B)Perfectly inelastic C)Unitary elastic D)Relatively elastic		

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	How does diminishing marginal utility lead to a downward-sloping demand curve?	UN	1
8	Explain Pareto criterion.	UN	4
9	Using an example, explain the concept of inferior goods.	AP	2
10	Explain the concepts of TR, MR and AR	AP	3
11	Use income consumption curve to explain how consumption changes when income rises for inferior goods	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) Draw an indifference map and sketch out the properties of indifference curve. OR B) What are the determinants of demand?	AP	2, 2
13	A) Apply the law of variable proportions to analyze how output changes as more units of labour are added to a fixed factor. OR B) What happens in perfect competition when a firm cannot recover its fixed cost in the short run?	AP	2, 3
14	A) Compare the point elasticity and arc elasticity in terms of usefulness for decision making	AN	2, 3

Qn No.	Question	CL	CO
	OR B) Explain why a monopolist’s marginal revenue curve lies below its demand curve.		
15	A) Explain why the short run average cost curve is u-shaped? OR B) . List out the variables that determine the quantity supplied in a market	AN	2, 4

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 shifts in supply curve and its market impact. OR B) Explain consumer equilibrium under the ordinal utility approach using the indifference curve and budget line. How does a consumer reach equilibrium?	AN	3, 2
17	A) Critically evaluate cardinal vs. ordinal utility approaches. OR B) “Isoquants and isocost lines together provide a powerful framework for optimal production decisions.” Evaluate this statement with reference to producer’s equilibrium.	EV	2, 2
18	A) Evaluate the three marginal conditions of a Pareto-efficient situation. OR B) Diagrammatically evaluate the concept of Consumer Surplus.	EV	2, 3
19	A) Design policy measures to control monopoly power. OR B)	CR	4, 4

Qn No.	Question	CL	CO
	What is kinked demand curve? Construct the it with the background of the important feature of oligopoly market.		