Reg. No.: ....

Name: ....

W6673

University of Kerala

Third Semester FYUGP Degree Examination, November 2025

Discipline Specific Core Course

ECONOMICS

UK3DSCECO200 - Microeconomics-1

Academic Level: 200-299

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	The shape of SAC in modern theory of cost is _______ Options : A)'U' Shape B)'V' Shape C)'Saucer' type shape D)'L 'Shape	RE	2
2	The Law of Diminishing returns apply to the Options : A)Long run only B)Short run only C)Both short run and Long run D)None of the above	RE	1
3	In which of the following Oligopoly models, firms compete in quantity rather than price. Options : A)Stackelberg model B) Cournot model C)Bertrand model D)Kinked Demand Curve model	UN	4
4	Welfare economics evaluates: Options : A)Social optimality B)Firm profits C)Tax rates D)Input prices	UN	1
5	In the short run, at least one factor of production is Options : A)Fixed B) Variable	UN	2

Qn No.	Question	CL	CO
	C) Constant D)Non-existent		
6	Perfect Competition assumes Options : A)Variety of goods B)product differentiation C)Homogeneity of goods D)Low priced goods	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 is the Price Consumption Curve	UN	1
8	In the context of Monopolistic Competition, why does the firm engage in non-price competition like product differentiation?	UN	3
9	Explain the concept of indirect utility function.	AP	1
10	Briefly explain the concept of engineering cost.	AP	2
11	What happens to the budget line when income increases?	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) A tomato farmer operates in a perfectly competitive market. The market price for tomatoes is Rs 50 per kg. The farmer's marginal cost for the last kg of tomatoes produced is Rs 60, and their average variable cost is Rs 40. Should this farmer increase, decrease, or maintain their current level of output? Explain your reasoning. OR B) Compare perfect competition and monopoly in terms of price, output, and efficiency.	AP	3, 3
13	A) Illustrate how the pragmatic approach differs from traditional demand theories. OR B) Explain the social cost of monopoly.	AP	1, 3
14	A) Analyse the nature of behaviour of an oligopolist firm under the cartel and price leadership.	AN	4, 3

Qn No.	Question	CL	CO
	OR B) Compare and contrast the different degrees of price discrimination. How do they differ in terms of information requirements and profit potential		
15	A) How can we explain income effect and substitution effect of a price change with the help of compensating variation in income? OR B) Differentiate the economies and diseconomies of scale	AN	1, 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) Analyse the kinked demand curve model of oligopoly. OR B) Analyze the features of pure and perfect competition	AN	4, 3
17	A) Evaluate the superiority of the Revealed Preference Theory over the traditional Indifference Curve analysis in determining the Consumer choice. OR B) Apply the Scitovsky criterion to evaluate whether a policy change increases social welfare.	EV	1, 4
18	A) Assess the practical relevance of the Law of Variable Proportion in modern production analysis. OR B) Evaluate the implication of intersecting indifference curves.	EV	3, 1
19	A)	CR	3, 3

Qn No.	Question	CL	CO
	Why can a monopolist sustain supernormal profits in the long run, unlike firms in perfect competition? Provide a real-life example and explain. OR B) Design a market structure for a new product, considering factors such as competition,barriers to entry and product differentiation.		