**Reg. No.:** .............................

**Name:** ..................................

W6820

# 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 | **Cartels are usually formed in which type of market structure?**<br><br>Options :<br>A)Monopoly<br>B)Perfect competition<br>C)Oligopoly<br>D)Monopolistic competition | RE | 1 |
| 2 | Which market has kinked demand?<br><br>Options :<br>A)Monopoly<br>B)Perfect competition<br>C)Oligopoly<br>D)None of the above | RE | 1 |
| 3 | What is the implication of constant returns to scale in the Cobb-Douglas production function?<br><br>Options :<br>A)$\alpha + \beta > 1$<br>B) $\alpha + \beta < 1$<br>C)$\alpha + \beta = 1$<br>D) $\alpha = \beta$ | UN | 2 |
| 4 | The locus of general equilibrium points of exchange in a two individual, two commodity economy is called<br><br>Options :<br>A)Consumption contract curve<br>B)Production contract curve<br>C)Social welfare function<br>D)Transformation curve | UN | 4 |
| 5 | Long run cost curves in modern theory of cost is<br><br>Options :<br>A)U shaped<br>B)Saucer shaped<br>C)L shaped<br>D)Straight line | UN | 3 |
| 6 | In equilibrium, perfectly competitive firms produce where: | UN | 1 |

| Qn No. | Question | CL | CO |
|---|---|---|---|
| | Options :<br>A)MR = MC<br>B)MR > MC<br>C)MC > MR<br>D)AC < MC | | |

**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 | 7.Define consumer’s equilibrium. | UN | 1 |
| 8 | What are the criteria for social welfare? | UN | 5 |
| 9 | In an indifference map what does a higher indifference curve signify in relation to a lower one | AP | 1 |
| 10 | 11. prepare a short note on consumer surplus? | AP | 2 |
| 11 | Write a note on barometric price leadership. | AP | 4 |

**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)<br><br>The demand curve of an oligopolist is Kinked. Why?<br><br>OR<br>B)<br><br>Paddy cultivation of Kuttanad region comes under which market category. Explain why. | AP | 4, 3 |
| 13 | A)<br><br>What is the Scitovsky Paradox, and how does it expose logical inconsistencies in the Kaldor-Hicks criterion? Illustrate with a policy example where welfare improvement according to one test is reversed by the other<br><br>OR<br>B)<br><br>A consumer has RS 800.The price of good X is RS 40 and good Y is RS 20 .If the government imposes a tax of RS 10 per unit on X ,how will the budget line shift ? | AP | 3, 1 |
| 14 | A) | AN | 2, 3 |

| Qn No. | Question | CL | CO |
|---|---|---|---|
| | Analyse Features of monopolistic competition<br><br>OR<br>B)<br><br>What are the main features of a perfectly competitive market? How do these features affect the pricing decisions of individual firms? | | |
| 15 | A)<br><br>Analyze the impact of changes in income and prices on consumer behaviour.<br><br>OR<br>B)<br><br>Explain the Isoquant–Iso cost approach to producer equilibrium | AN | 1, 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)<br><br>Evaluate Pareto optimality criterion. How far is it useful in suggesting policies that will make the community better off?<br><br>OR<br>B)<br><br>Examine whether perfect competition is an ideal market structure. Describe its assumptions and analyze the extent to which these assumptions hold in the real world. | AN | 4, 3 |
| 17 | A)<br><br>Evaluate the monopsony and bilateral monopoly.<br><br>OR<br>B)<br><br>Critically evaluate Engel's Curve as a representation of the relationship between income and the quantity of goods consumed. Discuss its relevance in understanding consumer behavior across different types of goods and assess its usefulness and limitations in modern economic analysis. | EV | 4, 3 |
| 18 | A)<br><br>Assess the role of collusive models with price leadership: low-cost firm, dominant firm, and barometric firm. | EV | 4, 2 |

| Qn No. | Question | CL | CO |
|---|---|---|---|
| | OR<br>B)<br><br>Evaluate the producer's equilibrium with isoquants | | |
| 19 | A)<br><br>Propose a comprehensive welfare evaluation model by integrating Pareto, Kaldor-Hicks and Scitovsky criteria for policy decision-making.<br><br>OR<br>B)<br><br>What is the difference between collusive and non collusive oligopoly | CR | 5, 3 |