U7927

Reg. No.: ……………..

Name:………………...

University of Kerala

First Semester Degree Examination, November 2024

Four Year Under Graduate Programme

Discipline Specific Core Course

ECONOMICS

UK1DSCECO101 - FUNDAMENTALS OF MICROECONOMICS

Academic Level: 100-199

Time: 2 Hours **Max.Marks:56**

Part A.

Answer All Questions , Objective Type. 1 MarkEach.
(Cognitive Level: Remember/Understand)
6 Marks. Time: 5 Minutes

Qn. No.	Question	Cognitive Level	Course Outcome (CO)
1.	The creation of more output by increasing inputs is shown by a) isoquant b) isocost c) expansion path d) total cost	Remember	CO-11
2.	The coefficient of price elasticity of demand at a particular point on the demand curve is called a)point elasticity b) arc elasticity c) price elasticity d) cross elasticity	Remember	CO-1
3.	The graph showing various combinations of two goods that a consumer can choose is called a) demand curve b) supply curve c) indifference curve d) none	Understand	CO-1
4.	Cost on rent is a) fixed cost b) variable cost	Understand	CO-1

	c) Selling cost d) All the above		
5.	The study of the behavior of individual economic units is known as a) growth economics b) micro economics c) macroeconomics d) public economics	Understand	CO-1
6.	X=f (L, K) is a) production function b) consumption function c) cost function d) utility function	Understand	CO-1

Part B.

Answer All Questions , Two-Three sentences. 2 Marks Each.
(Cognitive Level: Understand/Apply)
10Marks.   Time:20Minutes.

Qn. No.	**Question**	**Cognitive Level**	**Course Outcome (CO)**
7.	Distinguish between cardinal utility analysis and ordinal utility analysis.	Understand	CO-1
8.	Describe the main determinants of demand.	Understand	CO-1
9.	<table><tr><td>Px</td><td>Qx</td></tr><tr><td>4</td><td>12</td></tr><tr><td>6</td><td>8</td></tr><tr><td colspan="2">Find out the price elasticity of demand.</td></tr></table>	Apply	CO-4
10.	Construct isocost if the firm's total outlay is Rs 100, the price of labour is Re 1, and capital is Rs 2.	Apply	CO-3
11.	What happens in perfect competition when a firm cannot recover its fixed cost in the short run?	Apply	CO-3

Part C.

Answer all 4questions, choosing among options within each question. Short Answer.
4Marks Each.(Cognitive Level: Apply/Analyze) 16Marks.   Time:35Minutes.

Qn. No.	Question	Cognitive Level	Course Outcome (CO)
12.	a) Illustrate how warnings on cigarette packages convince smokers to smoke less and its effect on the demand curve. **OR** b) Draw demand curves for competitive firms and monopoly firms and give reasons for their shape.	Apply	CO-3

13.	a) What does the kinked demand curve model of oligopoly demonstrate? **OR** b) Explain how price adjustments move the market towards equilibrium.	Apply	CO-3
14.	a) Distinguish between economies and diseconomies of scale with examples. **OR** b) Is monopoly a desirable market structure? Give reasons for your answer.	Analyze	CO-2
15.	a) Classify costs into various categories with numerical examples. . **OR** b) Describe how an increase in the price of one of the goods the consumer purchases affect the shape of the budget line.	Analyze	CO-3

Part D.

Answer all 4 questions, choosing among options within each question. Long Answer.

6Marks Each (Cognitive Level: Analyse/Evaluate/Create)

24Marks. Time:60Minutes.

Qn. No.	Question	Cognitive Level	Course Outcome (CO)
16.	a) Analyze how price effects can be categorized into income and substitution effects. **OR** b) Examine returns to scale and explain the types with suitable examples.	Analyse	CO-2
17	a) Why is there a social cost in a monopoly? Can a firm have monopoly power if it is not the only producer? **OR** b) Assess the impact of a fall in food prices on its consumption if it is a normal good.	Evaluate	CO-3
18	a) Evaluate the usefulness of the kinked demand model oligopoly in explaining pricing under oligopoly. **OR** b) Explain the possible explanations for a fall in the demand for a commodity like cars.	Evaluate	CO-2
19	a) Design a hypothetical market that closely resembles perfect competition. **OR** b) Create a cost breakdown for a firm distinguishing between different types of costs.	Evaluate	CO-4