

BACHELOR'S DEGREE EXAMINATION, OCTOBER 2025
2024 ADMISSIONS REGULAR
SEMESTER III - MAJOR (ECONOMICS)
EC3DSCA01B24 - Microeconomics - I

Time : 1.5 Hours

Maximum Marks : 50

Part A

Answer all questions. Each question carries 1 mark. (1x10=10)

1. Explain why the LES curve takes its specific shape. [CO1,Understand]
2. State the Constant Elasticity Demand Function. [CO1,Remember]
3. Define the Water-Diamond Paradox. [CO1,Remember]
4. Name the economist mainly associated with the Modern Theory of Cost? [CO2,Remember]
5. Explain the shape of an AFC curve. [CO2,Understand]
6. Describe expansion path [CO2,Remember]
7. State the term 'monopsony' [CO3,Remember]
8. Identify whether a monopolist is a price taker or price maker. Explain the reason. [CO3,Understand]
9. Examine the circumstances in which a perfectly competitive firm earns supernormal profit. [CO3,Apply]
10. What is meant by the Contract Curve in the Edgeworth Box? [CO4,Understand]

Part B

Answer any 2 questions from the bunch of CO1. Each question carries 5 mark. (5x2=10)

11. Deduce the Hicksian substitution effect from the indifference curve analysis. [CO1,Analyse]
12. Explain the Revealed Preference Hypothesis and illustrate it with a diagram. [CO1,Understand]
13. Explain the concept of consumer surplus and illustrate it with a diagram. [CO1,Understand]

Part B

Answer any 2 questions from the bunch of CO2. Each question carries 5 mark. (5x2=10)

14. Explain the reasons for the shape of an envelope curve. [CO2,Understand]
15. Describe the concept of MRTS. [CO2,Remember]
16. Analyse the relevance of optimum input combination in the production process. [CO2,Analyse]

Part B

Answer any 2 questions from the bunch of CO3. Each question carries 5 mark. (5x2=10)

17. Identify the shut-down point for a monopolist in the short run. [CO3,Understand]
18. Illustrate with a diagram the derivation of a perfectly competitive firm's short-run supply curve. [CO3,Apply]
19. Explain why second-degree price discrimination is called 'block pricing.' [CO3,Apply]

Part C

Answer any 1 question from the bunch of CO4. Each question carries 10 mark. (10x1=10)

20. Write a note on the Compensation Criteria of Kaldor and Hicks with Amartya Sen's concept of social welfare. Examine their usefulness and limitations in evaluating public policy. [CO4,Apply]
21. Explain the main features of an oligopolistic market and illustrate using diagram why prices are often stable. [CO4,Understand]

