Sub Code: KMBAI103

Paper Id: 293103 Roll No:

MBA (INTEGRATED)
(SEM 1) THEORY EXAMINATION 2019-20
MICRO ECONOMICS

Time: 3 Hours *Total Marks: 100*

Note: Attempt all Sections. If require any missing data; then choose suitably.

SECTION A

1. Attempt *all* questions in brief. **2 x 10 = 20**

Q no.	Question	Marks	CO
a.	What is Economics?	2	1
b.	Find the definition of Microeconomics.	2	1
c.	Write the meaning of Utility.	2	1
d.	Define an indifference curve	2	1
e.	Describe the term "Supply".	2	1
f.	What is Price Elasticity of Demand?	2	1
g.	Enumerate Production Function	2	1
h.	What does Cost Mean in Economics?	2	1
i.	Define fixed costs.	2	1
j.	Recite Perfect Market.	2	1

SECTION B

2. Attempt any *three* of the following: **3 x 10 = 30**

Q no.	Question	Marks	CO
a.	What are the basic economic problems of India today? Discuss.	10	2
b.	Define price elasticity of demand. A 20% fall in the price of sugar leads to 25% rise in its demand. Calculate the price elasticity of demand. Comment on the commodity.	10	3
c.	A perfectly competitive firm faces market price equal to ₹ 15. I. Derive its total revenue schedule for the range of output from 0 to 10 units. II. Suppose the market price increases to ₹ 17. Will the new TR curve be flatter or steeper?	10	3
d.	Define Marginal utility. Explain the consumer's equilibrium with the help of utility schedule	10	2
e.	Explain the relationship between: (i) Marginal revenue and Total revenue (ii) Marginal revenue and Average revenue	10	2

SECTION C

3. Attempt any *one* part of the following: **1 x 10 = 10**

Q no.	Question	Marks	CO
a.	Distinguish between micro economics and macro economics.	10	4
b.	Explain the central problem 'for whom to produce'.	10	2

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4. Attempt any *one* part of the following: 1 x 10 = 10

Q no.	Question	Marks	CO
a.	Explain consumer's equilibrium with the help of indifference curves approach. Use diagram	10	2
b.	Distinguish between: (i) Increase and expansion in demand. (ii) Decrease and contraction in demand.	10	4

5. Attempt any *one* part of the following: 1 x 10 = 10

Q no.	Question	Marks	CO
a.	What is a supply schedule? Explain how changes in prices of other products influence the supply of a given product	10	2
b.	The coefficient of elasticity of supply of a commodity is 3. A seller supplies 20 units of this commodity at a price of ₹ 8 per unit. How much quantity of this commodity will the seller supply when price rises by ₹ 2 per unit?	10	3

6. Attempt any *one* part of the following: 1 x 10 = 10

Q no.	Question	Marks	CO
a.	What are the different phases in the behavior of total product in the law of variable proportions? Use diagram. Also give reasons behind the behavior in each phase	10	2
b.	Describe Economies and Diseconomies of Scale. What are their importances?	10	2

7. Attempt any *one* part of the following: 1 x 10 = 10

Q no.	Question	Marks	CO
a.	Give the meaning of oligopoly. Explain how the oligopoly firms are interdependent in taking price and output decisions.	10	2
b.	Give the relationship between TR, AR and MR under monopoly. Compare perfect competition and monopoly with respect to: (i) Allocation of resources (ii) Derivation of supply curve.	10	3

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