

**FIRST SEMESTER B.A. DEGREE (SUPPLEMENTARY/IMPROVEMENT)  
EXAMINATION, NOVEMBER 2014**

(U.G.—CCSS)

Complementary Course—Economics

EC 1C 01—ESSENTIALS OF ECONOMICS—MICRO

(2013 Admissions)

Three Hours

Maximum 30 Weightage

*Answer may be written either in English or in Malayalam.*

**Part .A**

*Answer all Twelve questions*

**1. 4 Multiple choice Questions**

- Which of the following is the main concern of economics ?  
a) Control of population                      b) Promotion of industries  
c) Efficient utilization of resources        d) Reduction of human wants
- Study of individual units of the economy is called :  
a) Welfare economics    b) Micro economics  
c) Macro economics    d) Development economics
- Capital market is a market for :  
a) Machinery                      b) Short term funds  
c) Long-term funds              d) Treasury bills
- All the cost become variable during :  
a) Short run                      b) Long-run  
c) Break-even point    d) Very short period.

**B. Fill in the blanks**

- The market is in equilibrium when supply is equal to
- If there are only two goods X and Y; then the consumer is in equilibrium when

$$\frac{M_{ux}}{P_x} \quad \frac{M_{uy}}{P_y} \quad \text{-----}$$

- The nature of relationship between price and demand is
- Demand curve under perfectly elastic demand will be

**C Answer in a word/sentence**

- Utility
- Long run
- Market
- Fixed cost

(12 x  $\frac{1}{4}$  = 3 weightage)

**Turn over**

**Part - B**

***Short answer type questions***

***Answer all nine questions***

13. Define production function.
14. Define production possibility curve.
15. What is opportunity cost ?
16. What is market equilibrium ?
17. Distinguish between fixed cost and variable cost.
18. Define marginal utility.
19. What is cross elasticity of demand ?
20. Define economics.
21. Distinguish between average cost and marginal cost.

(9 x 1 = 9 weightage)

**Part - C**

***Short essay or paragraph questions***

***Answer any five questions from seven***

22. Explain the law of equi-marginal
23. What are the economics of scale ?
24. Explain the law of supply and point out the factors affecting supply.
25. What are the basic problems of an economy ?
26. What are the different types of market ?
27. Explain the law of diminishing marginal utility.
28. Explain the relationship between economics and sociology.

(5 x 2 = 10 weightage)

**Part - D**

***Essay questions.***

***Answer any two questions from three.***

29. Define elasticity of demand and explain various types of price elasticity,
30. Explain short-run and long-run production function.
31. Explain the law of demand. What are the factors affecting demand.

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(2 x 4 = 8 weightage)