

E 9082

(Pages : 2)

Reg. No.....

Name.....

B.A. DEGREE (C.B.C.S.S.) EXAMINATION, OCTOBER 2014

Third Semester

B.A. Economics

Core Course—PRINCIPLES OF MICROECONOMICS

[2013 Admissions]

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A

Define the following.

Each question carries 1 mark.

1. Microeconomics.
2. Normative Economics.
3. Cardinalism.
4. Giffen paradox.
5. Demand schedule.
6. Budget line.
7. Substitution effect.
8. Production function.
9. Income effect.
10. Strong ordering.

(10 × 1 = 10 marks)

Part B (Short Answer Questions)

Answer any eight of the following questions in a paragraph each (not exceeding 100 words).

Each question carries 2 marks.

11. Explain the nature of economics as a positive and normative science.
12. What is meant by market mechanism ?
13. Explain production possibility frontier.
14. Distinguish between Cardinalism and Ordinalism.
15. Explain exceptional demand curves.
16. Why demand curve slopes downwards to right ?

Turn over

17. What are the properties of indifference curve ?
18. Explain substitution effect.
19. Discuss water diamond paradox.
20. Explain the types of elasticity.
21. What is an expansion path ?
22. Explain the uses of economic models.

(8 × 2 = 16 marks)

Part C (Short Essays)

Answer any **six** of the following questions in **one and a half pages** each (not exceeding 150 words).
Each question carries 4 marks.

23. Explain the law of equi-marginal utility.
24. What is Cobb-Douglas production function ?
25. Explain the law of variable proportions.
26. Examine the concept of consumer's surplus.
27. Distinguish between the substitution effect of Hicks and Slutsky.
28. Critically evaluate the Law of Demand.
29. Explain the Cob-Web theorem.
30. Diagrammatically explain the law of diminishing marginal utility.
31. Analyse the different forms of price-elasticity of demand.

(6 × 4 = 24 marks)

Part D (Long Essays)

Answer any **two** of the following questions not exceeding **four** pages each.
Each question carries 15 marks.

32. Critically examine the revalued preference theory of demand.
33. Explain the theory of returns to scale.
34. Analyse Consumer's equilibrium under indifference curve analysis.
35. Explain the concept of consumer surplus. How did Marshall measure it ?

(2 × 15 = 30 marks)