



Biyani Girls College
I Internal Exam -2019
B.A. First Year
MICRO ECONOMICS (PAPER- I)

Time: 1:30 hrs.

Set-A

Max. Marks: 40

SECTION –A

Answer the following questions, should not exceed 20 words.

2*5=10

1. Micro economics theory deals with
 - (a) Economic behaviour of individual economic decision making units;
 - (b) Economy as a whole;
 - (c) Trade relations;
 - (d) Economic growth of the society
2. Which of the following is a central problem of every economy
 - (a) Abundance of resources;
 - (b) Scarcity of economic resources;
 - (c) Poverty;
 - (d) Moral and ethical values
3. Equilibrium relates to which of these
 - (a) Market condition which oscillate;
 - (b) Market state of falling price;
 - (c) Market condition of rising price;
 - (d) Market conditions which once achieved tends to persist
4. General equilibrium analysis refers to
 - (a) Behaviour of individual economic decision making units and individual markets in isolation;
 - (b) Behaviour of all the individual decision making units and market viewed in totality;
 - (c) Both;
 - (d) None
5. Normative economic theory deals with
 - (a) What is or how the economic problem facing the society are solved;
 - (b) How the problem should be solved;
 - (c) What to Produce ;
 - (d) How to produce
6. In a mixed economy which sector(s) is/ are found
 - (a) Private Only;
 - (b) Public sector only;
 - (c) None;
 - (d) Both a and b
7. In economic theory the term “means” refers to
 - (a) Resources ;
 - (b) Arithmetic mean ;
 - (c) A characteristic ;
 - (d) None
8. Market equilibrium of a commodity is determined by
 - (a) Balancing of demand and supply position ;
 - (b) Aggregate demand;
 - (c) Aggregate supply;
 - (d) Government intervention

9. Ceteris Paribus means

- (a) Holding demand constant ;
- (b) Holding supply constant ;
- (c) Price being constant;
- (d) Other things being constant

10. Economic resources are

- (a) Unlimited ;
- (b) Limited in supply and use ;
- (c) Limited in supply but have alternative uses;
- (d) Unproductive

11. Which of the following is/ are not an economic resource

- (a) Land ;
- (b) Capital ;
- (c) Labour ;
- (d) Air

12. Which of the following is/ are an economic resource

- (a) Land ;
- (b) Capital ;
- (c) Labour ;
- (d) All the three

SECTION –B

Answer the question, should not exceed 100 words

4*2=8

Q.1 All the Giffen goods are inferior but all inferior goods are not Giffen. How will you explain it?

Q.2 Explain Static, Comparative Static and Dynamic economic analysis.

SECTION –C

Answer the following questions.

10*2=20

Q.1 What is meant by elasticity of demand? Explain the various methods of measuring price elasticity of demand.

Q.2 Explain the law of equi-marginal utility. What are the main limitations?



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SECTION –A

Answer the following questions (20 words).

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1. $\sum MU_x$ is equals to:-
 - (a) TU_x
 - (b) AU_x
 - (c) TU_x/N
 - (d) ΔTU_x
2. In Cardinal approach in case of single commodity equilibrium can be achieved when:-
 - (a) $P_x > MU_x$
 - (b) $P_x = MU_x$
 - (c) $P_x < MU_x$
 - (d) $P_x \neq MU_x$
3. When TU_x is increasing MU_x is:-
 - (a) Negative
 - (b) Positive
 - (c) Zero
 - (d) Constant
4. Convex preferences are identified by:-
 - (a) Indifference set
 - (b) Budget set
 - (c) Indifference Map
 - (d) Budget line
5. The slope of consumer's budget line is:-
 - (a) Positive and constant
 - (b) negative and decreasing
 - (c) negative and constant
 - (d) positive and increasing
6. The shape of indifference curve when MRS_{xy} is falling, will be:-
 - (a) concave
 - (b) convex
 - (c) vertical straight line
 - (d) horizontal straight line
7. Satiety point means:-
 - (a) $MU_x > 0$
 - (b) $MU_x < 0$
 - (c) $MU_x = 0$
 - (d) $MU_x \neq 0$
8. If the TU from one unit of commodity is 40 utils and second unit of the commodity gives 60 utils. What will be MU?
 - (a) 40
 - (b) 60
 - (c) 20
 - (d) 100
9. If income and price of Good-X and Y increases in the same ratio, the budget line will:-
 - (a) shift to right
 - (b) shift to left
 - (c) remain unchanged
 - (d) becomes zero
10. When $MU_x/P_x > MU_M$ rationale consumer in order to reach equilibrium will:-
 - (a) consume more of X
 - (b) consume more of Y
 - (c) consume more of X & Y both
 - (d) reduce consumption of X

11. Indifference map refers to:-

- (a) Highest IC
- (b) Lowest IC
- (c) family of IC
- (d) none of these

12. In a mixed economy which sector(s) is/ are found

- (a) Private Only;
- (b) Public sector only;
- (c) None;
- (d) Both a and b

SECTION –B

Answer the question, should not exceed 100 words.

4*2=8

Q.1 Differentiate between Microeconomics and Macroeconomics.

Q.2 Explain the relation between average cost and Marginal cost.

SECTION –C

Answer the following questions.

10*2=20

Q.1 Write short note on Consumer's surplus.

Q.2 Explain characteristic of an Indifference Curve.