Internal Examination, October 2019

B A Corporate Economics

First Semester

Micro Economics I

Part A

Answer any TEN of the following. Each question carries two marks

1. Distinguish between Micro Economics and Macro Economics
2. How do you differentiate between short run and long run analysis
3. What do you mean by law of demand?
4. Distinguish between extension of demand and increase in demand
5. Define changes in supply.
6. Define law of ordinal utility
7. What is long run average cost curve?
8. Distinguish between strong ordering and weak ordering
9. Define production function
10. Define Giffen paradox
11. Define perfect competition
12. What are the shapes of the AR curve and MR curve under monopoly?

(10x2=20)

Part B

Answer any six questions

Each question carries 5 marks

1. Examine the scarcity definition of Lionel Robbins
2. Examine the factors determining law of demand.
3. Examine the various types of price elasticity of demand.
4. What are the various short run cost curves?
5. How does the consumer reach equilibrium using ordinal utility analysis?
6. Explain the law of diminishing returns.
7. Distinguish between economies of scale and diseconomies of scale
8. Explain the relationship between AC Curve and MC curve.
9. Examine the characteristics of monopoly.

(6x5=30)

Part C

Answer any two questions

Each question carries 15 marks

1. Define elasticity of demand. How is it measured?
2. Define production function. Examine the short run and long run production function
3. Explain producer equilibrium using isoquant and iso cost curves.
4. Define perfect competition. How is price determined in the short run and long run?

2x15=30

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