Seat No:______________ **Enrollment No:______________**

PARUL UNIVERSITY

FACULTY OF ARTS

B.A Summer 2017 – 18 Examination

Semester: 2 **Date: 07/05/2018**
Subject Code: 15101151 **Time: 10:30am To 01:00pm**
Subject Name: Introduction to micro economics-I **Total Marks: 60**

Instructions:
1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1A. Do as directed. **(08)**

1 The slope of an indifference curve is ____________.
(a) Negative (c) both a and b
(b) Positive (d) None

2 The percentage change in quantity demanded due to percentage change in income is called _________of demand.
a) income elasticity b) price elasticity
c) Cross elastity d) None

3 Indifference curve is convex to origin because MRS is _________.
(a) constant (b) increases
(c) Diminishes (d) both a and c

4 Cross elasticity is positive for __________ goods.
(a) substitute (c) normal
(b) complementary (d) none

5 Iso-cost line determines ________ and _________.
(a) total outlay and price of inputs (c) both a and b
(b) total revenue and cost (d) none

6 The consumer is in equilibrium when he maximize his satisfaction at given his income and the market prices. (true/false)

7 Marshall gave ordinal utility concept. (true/false)

8 _____________ is known as scale line.
(a) Expansion Path (c) budget line
(b) Iso-cost line (d) none

9 Marshall derived the demand curve for goods from marginal utility analysis. (true/false)

10 MUx /Px = MUy / Py = _______________?
a) MU/MR b) MU/ Px
c) MUm d) None

11 The word 'statics' is derived from the Greek word ________ which means bringing to a standstill.
a) state b) Statik
c) Both a and b d) None

12 Comparative statics is a method of economic analysis which was first used by a German economist,___________________.
a) Marshall b) F. Oppenheimer
c) Adam smith d) None

13 _______ is a timeless economy where no change in occur it is necessarily in equilibrium.

a) static economy | b) dynamic economy
c) Bothe a and b | d) none

14 _____________is fictional relationship between the quantities of good produced and factors of production.

a) Production function | b) Consumption function
c) Both a and b | d) None

15 __________ is goods whose demand increase with rise in price of goods.

a) Inferior goods | b) Giffen goods
c) Normal goods | d) None

16 ______________is shows relationship between income and quantity demand.

a) Engel curve | b) Supply curve
c) Demand curve | d) None

B. Terms/ Short notes/ Case study/ Charts/ Graphs/ Tables, etc. (Each of 01 mark) **(07)**

1 Economic static
2 General equilibrium
3 Marginal rate of substitution
4 Budget line
5 Expansion path
6 Cross elasticity
7 Marginal utility

Q.2 Answer the following.

A. Write a note on Expansion path **(04)**
B. Explain Consumer's surplus. **(04)**
C. Give difference between Gifffen goods and Inferior goods. **(04)**

OR

C. How demand curve derived from marginal utility analysis. **(04)**

Q.3 Answer the following.

A. Explain concept of static, dynamic and comparative static. **(05)**
B. Explain various types of cross elasticity. **(05)**
C. Explain the properties of indifference curve. **(05)**

OR

C. Explain law of Marginal Rate of Technical substitution. **(05)**

Q.4 Answer the following.

A. What is income elasticity? Explain various types of income elasticity. **(06)**
B. Explain producer's equilibrium with the help of isoquant curve and iso-cost line. **(06)**
C. Explain market equilibrium with the help of demand and supply curve. **(06)**

OR

C. Explain Engle curve. **(06)**