

PARUL UNIVERSITY**FACULTY OF LAW****I- B.Com LL.B. Summer 2018 – 19 Examination****Semester: 2****Date: 15/04/2019****Subject Code: 17302182****Time: 10.30 am to 1.00 pm****Subject Name: Micro Economics****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.1 Do as directed.**(15)**(MCQ) (1 marks each. All Compulsory)

1. The _____ is the change in consumption patterns due to a change in the relative prices of goods.
 - a) supply
 - b) income effect
 - c) substitution effect
 - d) duopoly
2. A _____ has only one buyer for a particular good or service, giving that buyer significant power in determining the price of the products produced.
 - a) oligopoly
 - b) monopoly
 - c) duopoly
 - d) monopsony
3. _____ refers to the functional relationship between market demand and the factors affecting market demand.
 - a) Supply curve
 - b) Demand curve
 - c) Possibility curve
 - d) Market demand function
4. _____ is a kind of imperfect market where two sellers exist in the market providing a particular product or service.
 - a) Duopoly
 - b) Monopoly
 - c) Oligopoly
 - d) Monopolistic competition
5. _____ is a competitive market situation where there are many sellers, but they are selling heterogeneous (dissimilar) goods as opposed to the perfect competitive market scenario.
 - a) Monopoly
 - b) Imperfect competition
 - c) Oligopoly
 - d) Perfect competition
6. Consider the following statements and identify the right one/ones:
 - [i] Finite resources can be renewed.
 - [ii] Opportunity cost measures the cost of any choice in terms of the next best alternative foregone.
 - a) only [i]
 - b) only [ii]
 - c) both [i] and [ii]
 - d) none
7. Which of the following is not a characteristic/ assumption of perfect competition:
 - a) Perfect knowledge
 - b) Free entry and exit
 - c) Transportation cost
 - d) Homogeneous product
8. _____ means other things being equal.
 - a) Perfect competition
 - b) Ceteris paribus
 - c) Monopoly
 - d) Economic rationality
9. _____ is a group of buyers and sellers of a particular good or service.
 - a) Inflation
 - b) Market
 - c) Supply
 - d) Demand

