

Name:
Enrolment No:



UNIVERSITY OF PETROLEUM & ENERGY STUDIES
End Semester Examination (Online) – December, 2021

Program: BA (Eco- Hons)
Subject/Course: Micro Economics
Course Code: ECON 1002

Semester: I
Max. Marks: 100
Duration: 3 Hours

IMPORTANT INSTRUCTIONS

1. The student must write his/her name and enrolment no. in the space designated above.
2. The questions have to be answered in physical document.
3. After attempting the questions in this document, the student has to upload this document on desired space online

SECTION A

Q.No	Questions	Marks	COs
1	A free market economy sees the dominance of.. (a). Public sectors. (b). Private sectors. (c). Either a or b. (d). All of the above	2	CO1
2	Microeconomics stresses on the detailed study of a single unit or individual by using (a). Rigorous mathematical techniques. (b). Econometrics. (c). Production economics. (d). All of the above.	2	CO1
3 is the branch of microeconomics that deals with household behavior (a). Firm theory. (b). Production theory.	2	CO1

	(c). Market theory. (d). Consumer theory.		
4	What is the basic concept of consumer theory? (a). Expenses. (b). Utility. (c). Price of goods. (d). Supply and demand.	2	CO1
5.	Which of the following correctly describes nature of Indian economy? a). Socialist (b). Capitalist (c). Mixed Economy (d). None of the above	2	CO1
6	Production possibilities curve does not show: (a) What to produce (b) How to produce (c) For whom to produce (d) Productive potential under conditions of underemployment	2	CO1
7	Micro economic theory studies how a free enterprise economy determines: (a) The Price of goods (b) The price of services (c) The price of resources (d) All of these.	2	CO1
8.	Microeconomics deals primarily with: (a) Comparative statics, general equilibrium and positive economics	2	CO1

	(b) Comparative statics, partial equilibrium and normative economics (c) Dynamics, partial equilibrium and positive economics (d) Comparative statics, partial equilibrium and positive economics.		
9.	The meaning of the word 'economic' is most closely associated with the word: (a) Free (b) Scarce (c) Unlimited (d) Unrestricted	2	CO1
10	Microeconomics studies the decision-making behavior of: (a) Society as a whole (b) An individual or household (c) A group of individuals (d) Economy as a whole	2	CO1
SECTION B			
1	Illustrate the basic assumptions of preferences?	5	CO2
2	"Marginal Rate of Substitution" and "Marginal Rate of Technical Substitution?" Explain the similarity and difference between the two terms?	5	CO3
3	Write difference on any one of the two given choices; 1) Income & Substitution effect 2) Inferior Goods & Giffen Goods	5	CO2
4	Write short note on anyone of the followings: 1) Positive Vs Normative Analysis 2) Complimentary and Substitute Goods	5	CO2
SECTION C			
1	Analyze the relevance of microeconomics in business domain?	10	CO3
2	Illustrate various types of cost of production. Also explain the relative importance of each of these costs in reaching profit maximizing condition.	10	CO3

3	<p>Explain economies and diseconomies of scope? Explain their relevance in project expansion?</p> <p style="text-align: center;">Or</p> <p>Explain Effect of government intervention on price?</p>	10	CO4
SECTION D			
1	What is monopoly power? Analyze the social cost of monopoly power.	15	CO4
2	<p>Calculate monopoly power if elasticity of demand is 0.3, marginal cost of production is 12/- per unit, and price of product is 30/-</p> <p style="text-align: center;">Or</p> <p>Calculate elasticity of demand if $p_1 = 10, p_2 = 20, q_1 = 50$ & $q_2 = 25$. Also explain how firms use the elasticity of demand in determining profit conditions.</p>	15	CO5

ANSWERS