



Reg. No.: .....

Name: .....

## University of Kerala

First Semester FYUGP Degree Examination, December 2025

Discipline Specific Core Course

### ECONOMICS

#### UK1DSCECO101 - Fundamentals of Micro Economics

Academic Level: 100-199

2025-Admission onwards

Time: 2 Hours(120 Mins)

Max. Marks: 56

Part A.6 Marks:Time 5 Minutes.(Cognitive Level :Remember(RE)/Understand(UN)) Objective Type.1 mark each,  
Answer all questions

Qn No.	Question	CL	CO
1	Which branch of Economics deals with the behaviour of individual economic units?  Options : A)Macro Economics B)Econometrics C)Public Finance D)Microeconomics	RE	1
2	Monopoly means  Options : A)Many sellers, one buyer B)One seller, many buyers C)Many sellers, many buyers D)One buyer, one seller	RE	4
3	The Law of Supply shows  Options : A) Inverse relation between price and quantity supplied B) No relation between price and supply C) Supply remains constant D) Direct relation between price and quantity supplied	UN	2
4	Which assumption is made under the cardinal utility theory?  Options : A)Utility cannot be measured B)Utility can be measured in numbers C)Only choices matter D)Consumers are irrational	UN	1
5	The curve that shows the locus of all consumer equilibrium points resulting from changes in the consumer's income only is called the:  Options : A)Indifference Curve B)Income Consumption Curve (ICC) C)Engel Curve D)Price Consumption Curve (PCC)	UN	1
6	The slope of an isoquant is called	UN	3

Qn No.	Question	CL	CO
	Options : A)MRS B)MRTS C)Opportunity cost D>Returns to scale		

**Part B.10 Marks.Time:20 Minutes (Cognitive Level:Understand(UN)/Apply(AP))Two-three sentences.2 marks each.Answer all questions**

Qn No.	Question	CL	CO
7	Describe Consumer surplus	UN	2
8	Distinguish between total product (TP) and marginal product (MP).	UN	2
9	When the price of rubber is increasing, how will the farmer react?	AP	3
10	Why is the budget line a straight line?	AP	2
11	In a perfectly competitive market, $AR=MR=price$ . Why?	AP	4

**Part C.16 Marks.Time:35 Minutes.(Cognitive Level :Apply(AP)/Analyse(AN))Short Answer.4 marks each, Answer all 4 questions,choosing among options \* within each question**

Qn No.	Question	CL	CO
12	A) A consumer's MRS of X for Y is decreasing. What shape will the indifference curve have? OR B) Graphically examine the shifts in demand and supply curves	AP	2, 1
13	A) Explain the relation between AC and MC with the help of a diagram OR B) KSEB is the supplier of electricity in Kerala. Explain the pricing policy of KSEB.	AP	2, 3
14	A) Examine the impact of simultaneous shift in demand and supply on equilibrium price OR B)	AN	2, 4

Qn No.	Question	CL	CO
	Analyze the kinked demand curve under oligopoly		
15	<p>A)</p> <p>Analyze Isoquants and its properties</p> <p>OR</p> <p>B)</p> <p>When the price of a normal good falls, both substitution and income effects increase quantity demanded. Discuss.</p>	AN	3, 2

**Part D.24 Marks. Time: 60 Minutes. (Cognitive Level :Analyse(AN)/Evaluate(EV)/Create(CR)) Long Answer 6 Marks each. Answer all 4 questions choosing among options \* within each question**

Qn No.	Question	CL	CO
16	<p>A)</p> <p>Analyse how far the features of oligopoly is applicable to airline industry in India?</p> <p>OR</p> <p>B)</p> <p>Analyze the properties of indifference curve with diagram</p>	AN	4, 2
17	<p>A)</p> <p>Critically assess the usefulness of the Kaldor – Hick’s compensation criterion in measuring improvements in economic welfare.</p> <p>OR</p> <p>B)</p> <p>Evaluate the relevance of the Law of Variable Proportions in modern industries that use automated production systems. Is the law still valid? Justify your answer with arguments.</p>	EV	4, 2
18	<p>A)</p> <p>Evaluate how a monopolist determines price and output in the short run and long run. Explain why there is no supply curve under monopoly and discuss its implications for consumer welfare.</p> <p>OR</p> <p>B)</p> <p>Evaluate the usefulness of income elasticity of demand in classifying goods into normal, inferior, and luxury categories. Discuss how different types of businesses and governments use this concept for planning and policy-making.</p>	EV	5, 4
19	<p>A)</p> <p>Do you think monopolies can ever be socially beneficial? Construct a real-world argument defending your position.</p>	CR	4, 1

Qn No.	Question	CL	CO
	OR B) Construct an individual demand schedule and draw the corresponding demand curve.		

Model QP