



KERALA AGRICULTURAL UNIVERSITY  
B.Sc. (Hons.) C&B 2017 Admission  
I Semester Final Examination-February-2018

Econ.1101

Basic Economics (2+0)

Marks: 50  
Time: 2 hours  
(10x1=10)

**Fill in the blanks**

- ✓ 1 Microeconomics is also called as-----theory.
- ✓ 2 Those goods for which the consumption increases with increase in income are called as----- goods.
- 3 The change in total utility resulting from one unit change in consumption of a commodity is called as-----
- ✓ 4 Giffen goods are-----goods.
- 5 The cost that will not change with the level of production is known as-----cost.

**Define the following**

- 6 Marginal rate of substitution
- 7 Scarcity definition of Economics.
- 8 Returns to scale
- 9 Production possibility curve
- 10 Law of demand

**Write Short notes on ANY FIVE of the following**

(5x2=10)

- ✓ 1 Law of supply
- ✓ 2 Total product, average product and marginal product
- ✓ 3 Central problems of an economy
- 4 Returns to scale
- 5 Pareto optimality
- 6 Fallacies in Economics.
- ✓ 7 Determination of market equilibrium

**Answer ANY FIVE of the following**

(5x4=20)

- 1 Explain different economic systems and the role of government in each of the system.
- ✓ 2 Explain Revealed preferences approach to consumer behaviour.
- 3 Differentiate cardinal utility and ordinal utility approaches.
- 4 Discuss the scope and subject matter of economics.
- ✓ 5 Differentiate change in quantity supplied and change in supply.
- 6 Explain the approaches for measurement of elasticity of demand.
- 7 Discuss the exceptions to the law of demand?

**Write essay on ANY ONE of the following**

(1x10=10)

- 1 State and explain the law of diminishing marginal utility with a suitable illustration. What are implications and limitations of the law?
- 2 Define an indifference curve. What are the properties of an indifference curve?  
Diagrammatically and mathematically explain the determination of consumer equilibrium using indifference curve approach?

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