SET-1

INDIRA UNIVERSITY, PUNE

SCHOOL OF COMMERCE AND ECONOMICS- BSC ECO

Backlog Examination (2025 Pattern) April/ May – 2026 - Semester – I

Subject Name: Microeconomics-1	**Max. Marks: 50**
Subject Code: 25ECO101T	**Time: 2.30 Hours**

Instructions

- All questions are compulsory
- Draw the suitable diagrams wherever necessary.
- Read the instructions carefully.

CO #	Cognitive Ability	Course Outcome
CO1	**Remember**	Define and explain the fundamental Micro Economics concepts, theories and relationship related to scarcity, choice, opportunity cost, demand, supply, production and cost.
CO2	**Understand**	Describe and interpret the behaviour of consumers and producers under different economic systems and market conditions, linking theoretical models to real life situations.
CO3	**Apply**	Apply Micro Economic principles such as utility analysis, elasticity, demand supply equilibrium and cost revenue relationships to analyse household and firm level decisions
CO4	**Analyse**	Examine and compare the interdependence of Micro economic variables-production, consumption, cot and pricing-and assess their effects on market equilibrium and efficiency.
CO5	**Evaluate**	Critically evaluate economic laws, policies and resource allocation mechanism using concepts of elasticity, economies of scale and consumer producer behavior.

Q1.	**Attempt all the questions: (6 Marks)** **A. Which of the following best defines economics?** a. Study of Social Customs b. Study of human behaviour in producing and consuming goods c. Study of political systems d. Study of natural resources **B. Which concept explains why water is cheaper than diamonds despite being more useful?** a. Law of Equi-Marginal Utility b. Indifference Curve Analysis c. Water-Diamond Paradox d. Revealed Preference Theory	CO1

	C. Price Elasticity of Demand measures: a. The responsiveness of supply to price b. The change in income due to price c. The responsiveness of quantity demanded to price changed d. The Responsiveness of price to Demand **D. The production function shows the relationship between:** a. Cost and revenue b. Inputs and output c. Price and quantity demanded d. Profit and loss **E. Which of the following is true under perfectly elastic demand?** a. PED = 0 b. PED = 1 c. PED = ∞ d. PED < 1 **F. Which of the following is a feature of indifference curves?** a. They are upward sloping b. They intersect each other c. They are convex to the origin d. They represent constant utility	
Q2.	**Compulsory Question** **(8 Marks)** Explain the Law of Diminishing Marginal Utility.	CO2
Q.3	**Attempt any one out of Two** **(12 Marks)** A. Identify the key elements of the basic economic problem and explain their interrelationships B. Identify key tools used in economic analysis and explain their significance in theoretical and empirical research.	CO3
Q.4	**Attempt any one out of Two** **(12 Marks)** **A**. Interpret the relationship between total, average, and marginal production using real-world examples or numerical data. B. Analyze the stages of the Law of Variable Proportions and explain their economic significance.	CO4
Q.5	**Attempt any one out of Two** **(12 Marks)** A. Determine the elasticity coefficient and classify the type of price elasticity based on numerical values and graphical representation. B. Determine the key factors influencing demand and evaluate their impact on market outcomes.	CO5

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