SET-2

INDIRA UNIVERSITY, PUNE

SCHOOL OF COMMERCE AND ECONOMICS - BCOM

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

Subject Name: Introduction to Micro Economics **Max. Marks: 25**
Subject Code: 25COM109T **Time: 1:30 Hrs**

Instructions

- All Questions are compulsory
- Use Appropriate schedule and diagram as necessary

CO #	Cognitive Ability	Course Outcome
CO1	**Remember**	Define economics, explain its fundamental concepts, differentiate between microeconomics and macroeconomics, list basic economic problems with their solutions (capitalist, socialist, mixed), and recall key economic terms like household, consumer, firm, plant, and industry
CO3	**Apply**	Use demand and supply equations to calculate equilibrium price and output, apply the Law of Diminishing Marginal Utility and the Law of Equi-Marginal Utility to consumer decision-making, construct and interpret cost function graphs (TC, TFC, TVC, AC, MC) in the short and long run, and compute demand elasticity (price, income, cross elasticity) and its impact on revenue while analyzing key economic concepts.
CO4	**Analyse**	Compare different economic systems and their effectiveness in solving economic problems, examine factors influencing production and their effects on total, average, and marginal production, evaluate how the Law of Demand and the Law of Supply interact to determine market prices, and differentiate between the Law of Variable Proportions and the Law of Returns to Scale.

Q1.	**Attempt all the questions:** **(5 Marks)** **1. The term "Industry" refers to:** A) Single household B) A Group of Related Firms C) A Government Sector D) A Consumer Group **2. Economics is primarily concerned with:** A) Unlimited Resources B) Allocation of Scarce Resources C) Elimination of Wants D) Increasing of Profits	CO1

	3. Which economist defined economics as "the study of mankind in the ordinary business of life"? A) Adam Smith B) Lionel Robbins C) Alfred Marshall D) Paul Samuelson **4. Which of the following is a socialist economy feature?** A) Market competition B) Profit Motive C) Private ownership D) Central Planning **5. Household in economics refers to:** A) A building B) A firm C) An industry D) A group of consumers	
Q2.	**Solve any 1 out of 2 Questions: (10 Marks)** 1. Discuss the concept of Consumer Surplus With Suitable example and how it is utilized in individual decision making 2. Apply the Law of demand to practical market situations. explain its assumptions and evaluate its limitations using real-world examples and graphical illustrations.	CO3
Q3.	**Solve any 1 out of 2 Questions: (10 Marks)** 1. Inspect the behavior of total cost, average cost, and marginal cost in the short run. Use diagrams to support your answer. 2. Analyze the contribution of land, labor, capital, and entrepreneurship in the production process. Evaluate how each factor influences productivity and economic output.	CO4

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