

INDIRA UNIVERSITY, PUNE

SET-1

SCHOOL OF COMMERCE AND ECONOMICS - B.COM

Term End Examination (2025 Pattern) December – 2025 - Semester – I

Subject Name: Introduction to Micro Economics
Subject Code: 25COM109T

Max. Marks: 25
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.	<p>Attempt all the questions: (5 Marks)</p> <p>1. A graph showing the inverse relationship between price and quantity demanded is called</p> <p>A) Supply Curve B) Demand Curve C) Production Possibility Curve D) Cost Curve</p> <p>2. Functional relationships in economics show:</p> <p>A) Cause and Effect Relationship B) Unrelated Data C) Random Events D) Decorative Patterns</p>	CO1
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	<p>3. A firm's primary objective in microeconomics is usually:</p> <p>A) Social welfare maximization B) Employment generation C) Profit maximization D) Price regulation</p> <p>4. The equation $Q_d = a - bP$ represents:</p> <p>A) Supply function B) Demand function C) Cost function D) Revenue function</p> <p>5. In a capitalist economy, resources are allocated by:</p> <p>A) Central planning B) Tradition C) Market forces D) Government</p>	
Q2.	<p>Solve any 1 out of 2 Questions: (10 Marks)</p> <p>1. Illustrate the law of Diminishing marginal utility with a suitable schedule and diagram. How does this law help in understanding consumer behaviour?</p> <p>2. Apply the Law of demand to practical market situations. Make use of assumptions and evaluate its limitations using real-world examples and graphical illustrations.</p>	CO3
Q3.	<p>Solve any 1 out of 2 Questions: (10 Marks)</p> <p>1. Analyze the contribution of land, labor, capital, and entrepreneurship in the production process. Evaluate how each factor influences productivity and economic output.</p> <p>2. Examine the Law of Variable Proportions with suitable table and diagram</p>	CO4
