

INDIRA UNIVERSITY, PUNE

SET-2

SCHOOL OF COMMERCE AND ECONOMICS-B.SC (ECO)

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

Subject Name: Microeconomics-I
Subject Code: 25ECO101T

Max. Marks: 50
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. A. The basic economic problem arises due to: a. Unlimited resources and limited wants b. Limited resources and unlimited wants c. Equal distribution of income d. Government intervention B. The slope of a curve in economics represents: a. The total cost of production b. The rate of change between variables c. The equilibrium price d. The level of government intervention C. Consumer surplus is the difference between: a. Total cost and total revenue b. What a consumer is willing to pay and what they actually pay	(6 Marks)	CO1
-----	---	-----------	-----

	<p>c. Marginal cost and marginal revenue d. Income and expenditure</p> <p>D Which of the following is true under the Law of Variable Proportions? a. Marginal product always increases b. Marginal product first increases, then decreases, and may become negative c. Average product equals marginal product d. Total product remains constant</p> <p>E. The Law of Supply states that: a. Price and quantity supplied are inversely related b. Supply remains constant regardless of price c. Price and quantity supplied are directly related d. Supply decreases with demand</p> <p>F Returns to scale refer to changes in output when: a. Only one input is varied b. All inputs are varied proportionally c. Output is held constant d. Inputs are fixed</p>	
Q2.	<p>Attempt the questions. (8 Marks) Describe the Indifference Curve Analysis and Explain its key characteristics</p>	CO2
Q.3	<p>Attempt any one out of Two (12 Marks) A. Identify the mathematical tools commonly used in economics and explain their significance in theoretical and empirical analysis. B. Construct a comparative framework to analyze capitalist, socialist, and mixed economic systems.</p>	CO3
Q.4	<p>Attempt any one out of Two (12 Marks) A. Categorize the types of returns to scale and explain their implications for long-run production decisions. B. Classify short-run and long-run cost curves according to their responsiveness to changes in output and scale.</p>	CO4
Q.5	<p>Attempt any one out of Two (12 Marks) A. Explain the factors that cause a shift in the demand curve, distinguishing them from movements along the curve. B. Evaluate the impact of changes in consumer income on demand using the concept of income elasticity.</p>	CO5
