

Parvatibai Chowgule College of Arts and Science
Autonomous

B.A Semester End Examination, February 2022(Regular/Repeat)

Semester: III

Subject: Economics

Title: Microeconomics (core)

Duration: 2 Hours

Max. Marks: 60

Instructions: 1. Q1 is compulsory.

2. Answer any **4** questions from **Q2 to Q7**.

3. Draw diagrams wherever necessary.

4. Figures to the right indicate full marks.

Q1. “Microeconomics is a branch of mainstream economics that studies the behaviour of individuals and firms”. In the context of above statement explain any two relatable concepts based on your understating of this course. (12)

Q2. Explain the changes in the price of any one good and its consequences on budget line. (12)

Q3. Explain the production function with one variable inputs in the short run with the help of schedule and diagram. (12)

Q4. Differentiate between traditional and modern cost curves. (12)

Q5. Analyse how the price output decision under monopolistic competition differs from monopoly. (12)

Q6. a. With your own numerical example explain all the concepts of revenue. (06)

b. What is cobb Douglas production function? (06)

Q7. a. Suppose, you run a manufacturing business that is involved in manufacturing and selling a single product. The annual fixed expenses to run the business are Rs.15, 000 and variable expenses are Rs. 7.50 per unit. The sale price of your product is Rs.15 per unit.

1. Calculate the breakeven point in terms of units and comment on the same. (06)

2. What will be the margin of safety?

b. With the help of your own example explain prisoner’s dilemma (06)
