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**PRESIDENCY UNIVERSITY**

**Bengaluru**

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| **End - Term Examinations – JANUARY 2025** |
| **Date:** 16 – 01- 2025 **Time:** 01:00 pm – 04:00 pm |

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| **School:** SOL | **Program:** BA LL.B (Hons.) | |
| **Course Code : BAL1002** | **Course Name : Microeconomics** | |
| **Semester**: I | **Max Marks**:100 | **Weightage**: 50% |

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| **CO - Levels** | **CO1** | **CO2** | **CO3** | **CO4** | **CO5** |
| **Marks** | **16** | **29** | **24** | **19** | **12** |

**Instructions:**

1. *Read all questions carefully and answer accordingly.*
2. *Do not write anything on the question paper other than roll number.*

**Part A**

|  |  |  |  |  |
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| **Answer ALL the Questions. Each question carries 2marks. 10Q x 2M=20M** | | | | |
| 1 | Give 2 example each of micro and macroeconomics. | **2 Marks** | **R** | **CO1** |
| 2 | What are the three central problems of Economy? | **2 Marks** | **R** | **CO1** |
| 3 | What is fixed cost? | **2 Marks** | **R** | **CO1** |
| 4 | Define consumer surplus. | **2 Marks** | **R** | **CO2** |
| 5 | Name the factors of production. | **2 Marks** | **R** | **CO2** |
| 6 | What Is a Budget Constraint? | **2 Marks** | **R** | **CO3** |
| 7 | What do you mean by consumer optimum choice? | **2 Marks** | **R** | **CO3** |
| 8 | What are the types of market structure? | **2 Marks** | **R** | **CO4** |
| 9 | What is profit maximization? | **2 Marks** | **R** | **CO4** |
| 10 | Define Labour market. | **2 Marks** | **R** | **CO5** |

**Part B**

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| **Answer the Questions Total 80 Marks** | | | | | | |
| **11.** | a. | Define PPC.  Explain with the diagram. | **2+8=10**  **Marks** | **U** | **CO1** |
| **or** | | | | | |
| **12.** | a. | What is opportunity cost?  Explain with example. | **2+8=10**  **Marks** | **U** | **CO1** |
|  |  |  |  |  |  |
| **13.** | **a.** | With the help of below given diagram explain Supply for Labour. | **10**  **Marks** | **U** | **CO2** |
| **or** | | | | | |
| **14.** | **a.** | What is IC curve?  Write its properties. | **2+8=10**  **Marks** | **U** | **CO2** |

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| **15.** | **a.** | What are the Factors effecting labour market Supply? Explain. | **10 Marks** | **U** | **CO5** |
| **Or** | | | | | |
| **16.** | **a.** | Explain the [marginal productivity theory](https://app.vaia.com/en-us/explanations/microeconomics/labour-market/marginal-productivity-theory/) of demand for labour. | **10 Marks** | **U** | **CO5** |

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| **17.** | **a.** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | You are provided with the following demand and supply  equations. With the help of these fill up the blanks and  Show the equilibrium Quantity and Supply at what price?  Qd 60-10P=Qs 0+10P   |  |  |  |  | | --- | --- | --- | --- | | Serial  Number | Quantity Demanded (Qd) | Rupees | Quantity  Supplied (Qs) | |  |  |  |  | | 1 |  | 5 |  | | 2 | 20 |  | 40 | | 3 | 30 | 3 | 30 | | 4 | 40 |  | 20 | | 5 |  | 1 |  | | 6 | 60 | 0 | 0 | | | **15 Marks** | **A** | **CO4** |
| **Or** | | | | | |
| **18.** | **a.** | a. With the help of relevant articles, define what property rights are.  b. What role does property rights play in economic growth?  c. Can strong property rights reduce poverty and inequality? | **5+5+5=**  **15 Marks** | **A** | **CO4** |

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| **19.** | **a.** | Define the law of demand with Its assumptions. | **5+10=**  **15 Marks** | **U** | **CO2** |
| **Or** | | | | | |
| **20.** | **a.** | Show shift in demand curve and market equilibrium in the following conditions: -  a. Demand of a normal good.  b. Demand of an inferior good.  c. Demand in case of substitute and complementary good. | **5+5+5= 15 Marks** | **U** | **CO2** |

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| **21.** | **a.** | The government of a developing nation has opted to implement price controls on life-saving medications in order to enhance their affordability for the populace. However, pharmaceutical companies contend that these controls render it financially unviable for them to produce or import certain medications.  Review the above mentioned situation and answer to the questions below.  1.What is the price control?  2.Explain its types?  3. What are the potential advantages and disadvantages of instituting price controls on pharmaceutical products in this context?  4.In what ways might the imposition of price controls on medicines influence the supply and availability of these drugs in the market? | **2+8+5+5=20 Marks** | **A** | **CO3** |
| **Or** | | | | | |
| **22.** | **a.** | A manufacturing firm incurs a TFC of Rs. 100. with the help of the information given below calculate: TVC, AVC, TC, AFC, AC and complete the table.   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | Output (Q) | (TFC) | (MC) | (AFC) | (TVC) | (AVC) | (TC) | | 0 | 100 | - | - | - | - | 100 | | 1 |  | 60 | 100 |  | 60 |  | | 2 | 100 |  | 50 | 80 |  | 180 | | 3 |  | 10 |  | 90 | 30 | 190 | | 4 |  | 15 | 25 | 115 |  | 215 | | 5 |  |  |  |  | 28 | 240 | | 6 |  | 70 |  | 210 | 35 | 310 | | **20 Marks** | **A** | **CO3** |

**\*\*\*\*\* BEST WISHES \*\*\*\*\***