Roll No.												

PRESIDENCY UNIVERSITY

BENGALURU

End - Term Examinations – December 2025

Date: 19 – 12- 2025 **Time:** 09.30am to 12.30pm

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

CO - Levels	**CO1**	**CO2**	**CO3**	**CO4**	**CO5**
Marks	**16**	**16**	**19**	**30**	**19**

Instructions:

(i) Read all questions carefully and answer accordingly.

(ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2marks. **10Q x 2M=20M**

1.	Outline the concept of scarcity in economics.	**2 Marks**	**L1**	**CO1**
2.	Recall the term “opportunity cost”.	**2 Marks**	**L1**	**CO1**
3.	Recognize price ceiling.	**2 Marks**	**L1**	**CO2**
4.	Define market.	**2 Marks**	**L1**	**CO2**
5.	Explain budget line.	**2 Marks**	**L1**	**CO3**
6.	Explain Utility.	**2 Marks**	**L1**	**CO3**
7.	Explain absolute advantage with an example.	**2 Marks**	**L1**	**CO1**
8.	Explain consumer surplus.	**2 Marks**	**L1**	**CO2**
9.	Explain Derived demand.	**2 Marks**	**L1**	**CO5**
10.	Define productivity of an input.	**2 Marks**	**L1**	**CO5**

Part B

Answer the Questions. **Total Marks 80M**

11.	**a.**	Explain Production Posssibility Curve with the help of diagram.	**10 Marks**	**L1**	**CO1**
		Or			
12.	**a.**	Explain central problems of an economy.	**10 Marks**	**L1**	**CO1**

13.	**a.**	Explain price elasticity of supply and its types.	**10 Marks**	**L1**	**CO2**
		Or			
14.	**a.**	Explain the determinants of demand and supply.	**10 Marks**	**L1**	**CO2**

15.	**a.**	Explain the features of perfect competition.	**10 Marks**	**L3**	**CO4**
		Or			
16.	**a.**	Explain the equilibrium in monopoly market.	**10 Marks**	**L3**	**CO4**

17.	**a.**	With the help of a diagram identify the features and properties of indifference curve.	**15 Marks**	**L3**	**CO3**
		Or			
18.	**a.**	A consumer has a monthly income of ₹3,000 to spend on two goods: rice and vegetables. The price of rice is ₹60 per kg, and the price of vegetables is ₹30 per kg. a. Draw the consumer's budget line. b. Explain how the consumer's choice combinations change if the price of vegetables rises to ₹50 per kg.	**15 Marks**	**L3**	**CO3**

19.	**a.**	Explain the concept of labor market equilibrium and describe how the interaction of labor demand and labor supply leads to the determination of the equilibrium wage rate and employment level.	**15 Marks**	**L2**	**CO5**
		Or			
20.	**a.**	Explain the role of the four basic factors of production and describe why each of them is essential in the production process.	**15 Marks**	**L2**	**CO5**

<table>
<tr><td>21.</td><td>a.</td><td>Complete the table and explain the relationship between average cost and marginal cost.
<table>
<tr><th>Output (q)</th><th>Total cost (TC)</th><th>Total Fixed cost (TFC)</th><th>Total Variable cost (TVC)</th><th>Marginal cost (MC)</th><th>Average cost (AC)</th><th>Average variable cost (AVC)</th><th>Average fixed cost (AFC)</th></tr>
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</table></td><td>20 Marks</td><td>L3</td><td>CO4</td></tr>
<tr><td colspan="5">Or</td></tr>
<tr><td>22.</td><td>a.</td><td>Using a real-world production example (such as farming, manufacturing, or a small business), explain how the Law of Variable Proportion operates in practical situations. Illustrate how Total Product (TP), Average Product (AP), and Marginal Product (MP) change across the three stages of production, and draw a properly labeled diagram to show these relationships.</td><td>20 Marks</td><td>L3</td><td>CO4</td></tr>
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