



**PRESIDENCY UNIVERSITY,  
BENGALURU**

**SCHOOL OF LAW**

**MID TERM EXAMINATION**

**Odd Semester:** 2018-19

**Date:** 23 October 2018

**Course Code:** BAL 201

**Time:** 2 Hours

**Course Name:** Micro Economics

**Max Marks:** 60

**Branch & Sem:** BA, BBA, B.Com., LL.B. (Hons.) I Sem.

**Weightage:** 30%

**Instructions:**

- (i) *Read the questions properly and answer accordingly.*
- (ii) *Question paper consists of 3 parts.*
- (iii) *Scientific and non-programmable calculators are permitted*

**Part A**

Answer **all** Questions. **Each** question carries **four** marks. (5x4=20)

1. Define Economics. Differentiate between Micro and Macro Economics
2. Explain the Production Possibility Curve
3. Distinguish between Extension of Demand and Increase in Demand.
4. State Law of Demand with neat diagram and demand schedule
5. Is there any exception to law of demand? Explain.

**Part B**

Answer **all** Questions. **Each** question carries **Five** marks. (4x5=20)

6. Explain the properties of indifference curve
7. What is Cross Elasticity of Demand? Would you expect the cross Elasticity of Demand to be positive, negative or zero for each of the following pairs of products?
  - a) Hawkins and Prestige Pressure cookers
  - b) Desks and chairs
  - c) Kquality ice cream and Men's socks
8. From the following data, adopting total expenditure method find out the degree of Price elasticity of demand and show the graphical representation.

Price per unit (in rupees)	Quantity demanded (in units)
10	200
9	240
8	280
7	320
6	360
5	400
4	480

9. Explain the various determinants of demand.

### Part C

Answer the Questions. Each Question carries 10 marks.

(2x10=20)

10. You are provided with the following information:

Commodity	Original Price	New Price	Original Demand	New Demand
X	10	11	50	45
Y	2	1.2	10	18
Z	90	92	40	35
W	5	6	25	22

- Find price elasticity of demand for each commodity
- Show that each commodity obeys the law of demand
- Which commodity has the greatest elasticity, and which the least?

11. Explain Law of Supply. What are the types of supply elasticity explain with neat diagrams.