Name: **Enrollment No:**	UPES UNIVERSITY WITH A PURPOSE

UNIVERSITY OF PETROLEUM & ENERGY STUDIES

End Semester Examination (Online) – Jan, 2021

Program: BA Economics **Semester: I**
Subject/Course: Microeconomics I **Max. Marks: 100**
Course Code: ECON1007 **Duration: 3 Hours**

IMPORTANT INSTRUCTIONS

1. *The student must write his/her name and enrollment no. in the space designated above.*
2. *The questions have to be answered in this MS Word document.*
3. *After attempting the questions in this document, the student has to upload this MS Word document on Blackboard.*
4. ***Student can draw the diagram by hand (wherever required) and then attach it with the answer.***
5. ***Attempt all sections***

	Section A **Multiple Choice Questions**	**Marks**	**CO**
1	If a 12% fall in price of burgers leads to a 3% increase in the quantity demanded for burgers, then E_p would be a. -1.25 b. -4 c. -0.25 d. -0.5	5	CO1
2	Which of the following is valid for linear indifference curves? a. The goods are perfect complements b. The goods are perfect substitutes c. MRS for such curves is an increasing ration d. MRS for such curves in an increasing ratio	5	CO1
3	If the demand equation is given by D=1000-P, and the supply equation is given by S= 100 + 4P price would be: a. P=160 b. P = 180 c. P = 170 d. P = 200	5	CO1
4	In case the length of an arc on the demand curve is infinitesimal, then are arc elasticity coincides with: a. Unit elasticity b. Point elasticity c. Zero elasticity d. Negative elasticity	5	CO1
5	The state in which all the industries in an economy are in equilibrium is of: a. General equilibrium b. Partial equilibrium c. Production Possibility Curve d. Opportunity cost	5	CO1
6	If $MP_L > AP_L$, AP_L is a. Increasing b. Decreasing c. Zero d. Constant	5	CO1
	Section B	**Marks**	
Q1.	State the difference between decrease in demand and contraction in demand with the help of diagram.	5+5= 10	CO 2

<table>
<tr><td>Q2.</td><td>Complete the following table on the basis of the figures given:
<table>
<tr><th>Output</th><th>Total Cost</th><th>Total Fixed Cost</th><th>Total Variable Cost</th><th>Average Fixed Cost</th><th>Average Variable Cost</th><th>Average Cost</th><th>Marginal Cost</th></tr>
<tr><td>0</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>1</td><td>200</td><td></td><td>100</td><td></td><td></td><td></td><td>100</td></tr>
<tr><td>2</td><td>290</td><td></td><td></td><td></td><td>95</td><td></td><td></td></tr>
<tr><td>3</td><td></td><td></td><td></td><td></td><td></td><td>123</td><td></td></tr>
<tr><td>4</td><td></td><td></td><td></td><td></td><td></td><td>110</td><td>70</td></tr>
<tr><td>5</td><td></td><td></td><td>420</td><td>20</td><td>84</td><td></td><td>80</td></tr>
<tr><td>6</td><td></td><td></td><td></td><td></td><td></td><td>103.8</td><td></td></tr>
<tr><td>7</td><td>751</td><td></td><td></td><td></td><td></td><td>107</td><td></td></tr>
<tr><td>8</td><td></td><td></td><td>801</td><td></td><td></td><td></td><td></td></tr>
<tr><td>9</td><td>1098</td><td></td><td>998</td><td></td><td></td><td></td><td>197</td></tr>
<tr><td>10</td><td></td><td></td><td></td><td>10</td><td>123.2</td><td></td><td></td></tr>
</table></td><td>10</td><td>CO1</td></tr>
<tr><td>Q3.</td><td>How is Hick’s analysis more realistic as compared to Marshall’s approach towards consumer behavior. State the basis of both school of thought. Also, explain which concepts they developed to explain consumer behavior based on the respective measures.</td><td>10</td><td>CO1</td></tr>
<tr><td>Q4.</td><td>How does producer attain equilibrium? State the necessary conditions for producer to be in the equilibrium along with the diagram.</td><td>10</td><td>CO2</td></tr>
<tr><td>Q5.</td><td>Explain the determinants of demand. On the basis of elasticity concept, define ‘superior’ and ‘inferior’ goods.</td><td>10</td><td>CO3</td></tr>
<tr><td></td><td>Section C</td><td></td><td></td></tr>
<tr><td>Q1.</td><td>“As we increase one factor of production (Labor) keeping others factors constant, total productivity increases initially, reaches certain maximum and then eventually declines”. While explaining the concept of given statement with the help of table, state the most economical region of production with the help of diagram and mention the reason for the same.</td><td>20</td><td>CO4</td></tr>
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