

Sharma Education Point

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Note: Write the answers of these questions considering six marks. Draw diagram and schedule as much as you can.

{Super 30 for Micro Economics}

Unit-1 (Marks-4)

1. Define Opportunity Cost, Marginal opportunity cost, scarcity and economic problem.
2. What does a production possibility curve show? What are its properties? When will it shift to the right?
3. Explain the central problem of 'what, how and for whom to produce'.
4. Differentiate between (a) centrally planned economy and market economy (b) Positive and Normative statements.

Unit-2 (Marks-13)

5. Explain the consumer's equilibrium by cardinal approach of utility.
6. Explain the consumer's equilibrium with the help of indifference curve.(Ordinal Approach)
7. What is IC? Write the properties of indifference curve. Explain any two.
8. Explain factors influencing the household demand for a commodity and market demand.
9. Why does demand curve of a commodity slope downward to the right?
10. Define Utility. What is relationship between Total utility and Marginal utility explain with the help of DMU?
11. Define decrease in demand. How does it differ from contraction in demand?
12. Define Ed and explain its degrees. Explain the factor affecting price elasticity of demand.
13. State three causes each for a rightward shift and a leftward shift of demand curve.
14. Distinguish between :(a) Individual demand and market demand. (b) 'Change in demand' and 'change in quantity demanded'

Unit-3 (Marks-13)

15. What causes a downward movement along a supply curve of a commodity? Explain the degrees of Elasticity of Supply and factors affecting it.
16. Define market supply of a good. Give three causes of a rightward shift of supply curve.
17. With the help of a suitable diagram explain the relationship of marginal product and total product in the different stages of the law of variable proportions.
18. Explain the conditions leading to maximization of profits by a producer. Use marginal cost and marginal revenue approach.
19. Define the following: [1] Abnormal Profit [2] Shut Down Point [3] Break Even Point [4] Normal Profit
20. Distinguish between(a) Fixed costs and Variable costs (b) Implicit cost and Explicit cost with example.
21. Draw Average Total Cost, Average Variable Cost and Marginal Cost curves in a single graph. Also explain the relation between Marginal Cost and Average Total Cost.
22. Distinguish between increase in quantity supplied and decrease in supply. Use diagram.
23. Why does short run AC and MC are 'U' shaped? Why the gap between Total cost and Total Variable cost is constant.
24. Explain the relationship between total revenue and marginal revenue with the help of revenue schedule.
25. (i) How does the imposition of a tax affect the supply curve of a firm?
(ii) What changes will take place in total revenue when
(a) Marginal revenue is falling but is positive. (b) Marginal revenue is zero. (c) Marginal revenue is negative.
(iii) Define marginal revenue. Explain the relationship between average and marginal revenue when price is constant at all levels of output.
(iv) How does marginal revenue effect total revenue when price decreases to increase sale.

Unit-4 (Marks-10)

26. Define Monopoly and Oligopoly. Explain four features each of Monopoly and Oligopoly.
27. State features of monopolistic competition. Draw Average Revenue and Marginal Revenue curve of a firm in a single diagram in this market.
28. In spite of simultaneous change in the demand and supply of a commodity, [a] the equilibrium price and [b]equilibrium quantity of the commodity remains unchanged. Explain using diagrams.
29. If at a given price of a commodity, there is excess demand, how will the equilibrium price be reached? Explain with the help of a diagram.
30. Distinguish between (a) perfect competition and monopoly(b) Maximum Price Ceiling and Minimum Price support.