

**M.E.S's VASANT JOSHI COLLEGE OF ARTS & COMMERCE ZUARINAGAR, GOA**  
**B.A. III SEMESTER END ASSESSMENT (Regular/Repeat) OCTOBER/NOVEMBER 2024**  
**ECONOMICS**  
**ECO 200 – MICROECONOMICS I**

- Instructions:** (i) All questions are compulsory.  
(ii) Answer sub-questions A & B in not more than 200 words.  
(iii) Answer sub-questions C in not more than 100 words.  
(ii) Draw diagrams wherever necessary.  
(iii) The use of a simple calculator is permitted.  
(iv) Figures to the right indicate marks.

**Time:** 02 Hours

**Marks:** 80

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**Q.1. Answer the following in about 50 words each: (8x2=16 Marks)**

- I. Define budget constraint.
- II. List the assumptions of the indifference curve.
- III. Define the Law of Variable Proportions.
- IV. State the different types of costs in the short run.
- V. Define perfect competition.
- VI. List the features of a perfectly competitive market.
- VII. Define monopoly power.
- VIII. State the first-degree price discrimination.

**Q.2 A) Compare the concepts of ordinal utility and cardinal utility. (6 Marks)**

**OR**

**Q.2 A) Explain the income effect and substitution effect in consumer choice. (6 Marks)**

**Q.2 B) Explain the concept of Marginal Rate of Substitution. (6 Marks)**

**Q.2 C) Illustrate the income effect on a budget line with an example. (4 Marks)**

**Q.3 A) Discuss the differences between the short-run vs long-run decisions of firms in production. (6 marks)**

**OR**

**Q.3 A) Illustrate how increasing returns to scale affects production. (6 marks)**

**Q.3 B) Illustrate the law of variable proportions. (6 marks)**

**Q.3 C) Differentiate between fixed costs and variable costs. (4 marks)**

- Q 4. A)** Analyze the market adjustments to changes in demand in perfect competition. **(6 marks)**
- OR**
- Q 4. A)** Evaluate the short-run equilibrium condition of a perfectly competitive firm. **(6 marks)**
- Q. 4 B)** Analyze the impact of imperfect markets on market efficiency. **(6 Marks)**
- Q. 4 C)** Discuss the role of public goods in market failure. **(4 Marks)**
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- Q.5 A)** Differentiate between monopoly and perfect competition. **(6 marks)**
- OR**
- Q.5 A)** Illustrate the social costs associated with monopolies **(6 marks)**
- Q.5 B)** Evaluate the significance of the Lerner Index in measuring monopoly power. **(6 Marks)**
- Q.5 C)** Discuss how negative externalities affect social welfare. **(4 Marks)**

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**Q.1. Answer the following in about 50 words each: (8x2=16 Marks)**

- I. Define the concept of utility.
- II. List the factors that shift the budget constraint.
- III. Define sunk costs.
- IV. State the characteristics of the production function.
- V. Define market equilibrium.
- VI. List the types of market structures.
- VII. State the features of monopoly.
- VIII. Define price discrimination.

**Q.2 A) Compare indifference curves and budget constraints in consumer decision-making. (6 Marks)**

**OR**

**Q.2 A) Explain the Diamond-Water Paradox and its implications for understanding value. (6 Marks)**

**Q.2 B) Explain the properties of indifference curves and their role in consumer choice theory. (6 Marks)**

**Q 2. C) Illustrate the relationship between total utility and marginal utility. (4 Marks)**

**Q 3. A) Illustrate and explain the concept of an isocost line. (6 marks)**

**OR**

**Q 3. A) Discuss the concept of constant returns to scale and illustrate its implications for production. (6 marks)**

**Q 3. B) Discuss least-cost technology with reference to isoquants and isocosts. (6 marks)**

**Q. 3 C) Differentiate between economic costs and accounting costs. (4 marks)**

**Q 4. A)** Analyze the key features of a perfectly competitive market. **(6 marks)**

**OR**

**Q 4. A)** Evaluate the impact of an increasing cost industry on the long-run supply curve in perfect competition. **(6 marks)**

**Q. 4 B)** Analyze the impact of imperfect information on market efficiency. **(6 Marks)**

**Q. 4 C)** Discuss the role of public goods in market failure. **(4 Marks)**

**Q. 5 A)** Differences between first-degree and third-degree price discrimination in monopoly pricing. **(6 marks)**

**OR**

**Q.5 A)** Illustrate the sources of monopoly power. **(6 marks)**

**Q.5 B)** Evaluate the profit-maximizing behavior of a monopolist in the short run. **(6 Marks)**

**Q.5 C)** Discuss the impact of externalities on market efficiency. **(4 Marks)**