

IMBA GDM Sem.-1 Examination

DSC-~~Q~~ANP-113T

Microeconomics

January-2024

Time : 2-00 Hours]

[Max. Marks : 50

Instructions:**Figures to the right indicate full marks.****Q.1) Answer the following Questions. (Any Two)****(5*2=10 Marks)**

- A) State 3 differences between micro economics and macroeconomics.
- B) Explain how price mechanism can be used to solve the basic problems in an economy.

OR

- A) Explain the classification of markets
- B) Explain the price determination process under perfect competition.

Q.2) Answer the following Questions. (Any Two)**(5*2=10 Marks)**

- A) Explain the key components of the circular flow model and their interconnection.
- B) How does saving contribute to the circular flow of income and what is the relationship between saving and investment?

OR

- A) What is the fundamental economic problem and how does microeconomics address it?
- B) Explain the concept of utility and its role in consumer decision making.

Q.3) Answer the following Questions. (Any Two)**(5*2=10 Marks)**

- A) Discuss the factors that influence a consumer's demand for goods or services.
- B) What is the difference between explicit and implicit cost

OR

- A) Explain the concept of a budget constraint and how it affects the consumption choices of household?
- B) How do interest rates influence household decisions on savings and borrowings?

Q.4) Answer the following Questions. (Any Two)**(5*2=10 Marks)**

- A) What are the characteristics of a perfect market, and how does it differs from other market structures?
- B) How does the price mechanism operate in a perfectly competitive market and what role do supply and demand play?

OR

- A) What characterizes an imperfectly competitive market, and how does it differ from a perfectly competitive market?
- B) Explain how barriers to entry contribute to the existence of imperfectly competitive market

Q.5) Answer the following Questions. (Any Ten)**(1*10=10 Marks)**

- A) Define Opportunity Cost.
 - B) Explain the Law of Demand.
 - C) Define Marginal Utility.
 - D) Define Monopoly.
 - E) What is the role of a cartel in an Oligopoly?
 - F) Define Consumer Surplus.
 - G) Explain the concept of Marginal Cost.
 - H) Define Giffen Goods.
 - I) What is the Law of Diminishing Marginal Utility?
 - J) Explain the Law of Supply.
 - K) Describe the concept of a Command Economy.
 - L) What is the difference between a Fixed Cost and a Variable Cost?
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