



UNIVERSITY OF THE PUNJAB

B.S. 4 Years Program / Second Semester – 2019

Paper: Economics (Micro) for Commerce

Course Code: ECON-131 / ECO-12320Part-I (Compulsory)

Time: 15 Min. Marks: 10

Roll No. in Fig.

Roll No. in Words.

Signature of Supdt.:

ATTEMPT THIS PAPER ON THIS QUESTION SHEET ONLY.

Division of marks is given in front of each question.

This Paper will be collected back after expiry of time limit mentioned above.

Q.1. Encircle the right answer cutting and overwriting is not allowed. (10x1=10)

- i. Microeconomics is related to study of economic theory at
 - a) An individual level
 - b) At an aggregate level
 - c) The country level
 - d) the consumer level only
 - e) Any level
- ii. Indifference Curves slope negatively because of
 - a) being convex to origin
 - b) trade off between goods
 - c) intersection with each other.
 - d) All of the above
 - e) None of the above
- iii. We may observe a rise in demand when
 - a) There is a general rise in income
 - b) Population grows.
 - c) price of the substitute increases.
 - d) All of the above.
 - e) None of the above
- iv. The price elasticity of demand for necessities of life is
 - a) high
 - b) Unity
 - c) Zero
 - d) low
 - e) none of the options
- v. In a free market, the intersection of demand and supply curves shows
 - a) Consumer's Equilibrium
 - b) General Equilibrium
 - c) Market Equilibrium
 - d) Producer's Equilibrium
 - e) None of the above
- vi. Production may vary due to change in employment of
 - a) Land
 - b) labor
 - c) Capital
 - d) Organization
 - e) all of the above
- vii. The characteristics of monopoly include
 - a) A single firm
 - b) Control over price
 - c) Barriers to entry of firms
 - d) All of the above
 - e) None of the above
- viii. Monopoly
 - a) is often the market situation
 - b) is always the market situation
 - c) is the only type of market
 - d) is never the market situation
 - e) None of the above
- ix. Factor pricing is a theory related to
 - a) Price
 - b) Factor inputs
 - c) cost
 - d) Supply
 - e) None of the options
- x. For Minimization the second order derivative must be
 - a) zero
 - b) positive
 - c) negative
 - d) maximum
 - e) minimum



ATTEMPT THIS (SUBJECTIVE) ON THE SEPARATE ANSWER SHEET PROVIDED

(2) Provide short answers (maximum 10 sentences per answer).

(MARKS: 20)

- i. Enlist at least five topics that are studied in Economics.
- ii. List the properties of indifference curves.
- iii. Why is the demand curve downward sloping?
- iv. List any three determinants of Elasticity of Supply.
- v. What is the difference in the long run and the short run with reference to Cost theory?
- vi. What is Marginal Cost?
- vii. What are selling costs with reference to Monopolistic Competition?
- viii. What is meant by 'Price Discriminations'?
- ix. What is Marginal Physical Product?
- x. List any two applications of derivatives in Microeconomics.

(3) Answer the following briefly.

(MARKS: 30, 10 per question)

- a. Show the consumer's equilibrium with the help of a set of indifference curves and a price line.
- b. Discuss the Law of Supply with the help of schedules and diagrams.
- c. How is price and output determined under Monopoly in the long run?