



UNIVERSITY OF THE PUNJAB

Third Semester – 2019

Examination: B.S. 4 Years Program

Roll No. in Fig.

Roll No. in Words.

PAPER: Intermediate Micro Economics

MAX. TIME: 15 Min.

Course Code: ECON-201/ECO-21318 Part-I (Compulsory)

MAX. MARKS: 10

Signature of Supdt.:

Attempt this Paper on this Question Sheet only.

Please encircle the correct option. 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. (1x10=10)

1. If marginal cost equals average total cost, average total cost will:
 - a. Be maximized
 - b. Decrease
 - c. Increase
 - d. Be minimized
2. A firm will shut down in the short-run if
 - a. It is suffering a loss
 - b. Fixed costs exceed revenues
 - c. Variable costs exceed revenues
 - d. Total costs exceed revenues
3. Which of the following is not characteristic of perfect competition?
 - a) Large number of sellers
 - b) Differentiated product
 - c) Easy entry
 - d) No advertising
4. For a monopolist to sell more units of output:
 - a) The price of the output must be increased
 - b) The price of the output must be decreased
 - c) Demand must become more elastic
 - d) The other competing firms must sell fewer units
5. When the decrease in the price of one good causes the demand for another good to decrease, the goods are:
 - a) Normal
 - b) Inferior
 - c) Substitutes
 - d) Complements
6. Which of the following is NOT a characteristic of monopolistic competition?
 - a) Large number of firms
 - b) Product differentiation
 - c) Mutual interdependence
 - d) No barriers to entry

P.T.O.



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Course Code: ECON-201/ECO-21318 Part – II

MAX. TIME: 2 Hrs. 45 Min.

MAX. MARKS: 50

ATTEMPT THIS (SUBJECTIVE) ON THE SEPARATE ANSWER SHEET PROVIDED

Question No. 2 Write short answer to the following (4 x 5=20)

- i. Giffen Goods
- ii. Income Elasticity
- iii. Sunk Cost
- iv. Price Discrimination
- v. Bi-lateral Monopoly

Question No. 3

Bring out the differences between perfect competition and monopoly. (10)

Question No. 4

Critically examine the Marginal Productivity Theory. (10)

Question No. 5

Explain consumer's equilibrium with the help of indifference curve. (10)