

**BA ECONOMICS
FIRST SEMESTER
INTRODUCTORY MICROECONOMICS
BEC – 101**

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

1. In which firm does a single seller control the market?
 - a. Perfect competition
 - b. Monopoly
 - c. Monopolistic competition
 - d. Oligopoly
2. In which market form firms rely heavily on advertisement and branding?
 - a. Monopolistic competition
 - b. Monopoly
 - c. Perfect competition
 - d. Oligopoly
3. Which market form is characterized by homogeneous products?
 - a. Monopolistic competition
 - b. Perfect competition
 - c. Monopoly
 - d. Oligopoly
4. Which of the following is one of the key characteristics of perfect competition?
 - a. Few sellers in the market
 - b. Differentiated products
 - c. Freedom of entry and exit
 - d. Imperfect knowledge among buyers and sellers
5. In which market form, firm is a price taker?
 - a. Monopoly
 - b. Oligopoly
 - c. Monopolistic competition
 - d. Perfect competition
6. Which of the following are the main factors of production?
 - a. Land, labour and capital
 - b. Money, machinery and materials
 - c. Profits, revenue and cost
 - d. Wages, rent and interest
7. Why the demand for inputs is called derived demand?
 - a. It does not depend on any product
 - b. It depends on demand for final product
 - c. It is unrelated to consumer demand
 - d. Firms need only a fixed amount of inputs
8. What does the marginal productivity of labour measure?
 - a. Total output by all workers
 - b. Extra output from one more worker
 - c. Cost of one worker
 - d. Total wages to all workers

9. What does diminishing return mean for inputs?
 - a. Total output increases
 - b. Total output goes down
 - c. Input cost goes down
 - d. More input adds less output
10. When are two inputs considered substitutes?
 - a. When they have same cost
 - b. When they are for different jobs
 - c. When they are used in place of one another
 - d. When both are used together
11. Microeconomics is the study of.....
 - a. National economy
 - b. Individual units
 - c. Government policies
 - d. International trade
12. Price elasticity refers to.....
 - a. Total goods produced
 - b. Respond of demand to price
 - c. Cost of extra unit
 - d. Effect of taxes
13. The law of demand states that.....
 - a. Price and demand rise together
 - b. Price and demand move oppositely
 - c. Demand creates supply
 - d. Price doesn't effect demand
14. A shift in the demand curve to the right implies.....
 - a. An increase in quantity demanded
 - b. A decrease in quantity demanded
 - c. An increase in demand
 - d. A decrease in demand
15. Indifference curves are usually.....
 - a. Downward sloping
 - b. Upward sloping
 - c. Horizontal
 - d. vertical
16. Which of the following factors doesn't cause a shift in the demand curve?
 - a. Change in consumer income
 - b. Change in price of the good itself
 - c. Change in population size
 - d. Change in consumer preferences
17. Indifference curves show
 - a. Different prices
 - b. Equal satisfaction levels
 - c. Income levels
 - d. Production levels
18. According to the consumption function, as income increases, consumption
 - a. Decreases
 - b. Remains the same
 - c. Increases
 - d. Fluctuates
19. The slope of the consumption function represents.....
 - a. Marginal Propensity to Consume (MPC)
 - b. Average Propensity to Consume (APC)
 - c. Total consumption
 - d. Disposable income

20. Market demand is defined as.....
- a. Demand by one consumer
 - b. Sum of all individual demand curves
 - c. Quantity at a specific price
 - d. International demand
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(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

[Answer question no.1 & any four (4) from the rest]

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| 1. Define Microeconomics. Explain the scope of Microeconomics. | 5+5=10 |
| 2. Define a perfectly competitive market. Illustrate the short run-equilibrium of a firm operating under perfect competition. | 5+5=10 |
| 3. Define a monopoly market structure and examine its characteristics. | 3+7=10 |
| 4. Explain the concepts of Marginal Product of Labour (MPL) and Marginal Revenue Product of Labour (MRPL). Use a table to illustrate how changes in labour input affect MPL and MRPL. | 3+7=10 |
| 5. Define input markets and describe their characteristics. | 3+7=10 |
| 6. Define the law of demand. Illustrate demand with suitable diagram. | 2+8=10 |
| 7. Define market demand with suitable diagrams. | 10 |
| 8. Explain the characteristics of monopolistic competition. | 10 |

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