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School of Liberal Education

Bachelor of Arts Honours in Economics

Mid Term Examination - Nov 2023

Duration : 90 Minutes

Max Marks : 50

Sem III - K1UB305B - Advance Micro EconomicsGeneral Instructions*Answer to the specific question asked**Draw neat, labelled diagrams wherever necessary**Approved data hand books are allowed subject to verification by the Invigilator*

- 1) Explain the concept of "Revealed Preference Theory". K2 (2)
- 2) Discuss the concept of utility and how it is used to explain consumer behavior. Provide examples to support your explanation. K1 (3)
- 3) Describe the concept of "Price Elasticity of Demand" and discuss the factors that influence the price elasticity of demand for a good. K2 (4)
- 4) Explain the "Theory of Supply" in economics, including the law of supply and the determinants of supply. K2 (6)
- 5) Discuss the concept of the compensated demand curve and its significance in modern economics. K3 (6)
- 6) Define the "short-term period" in production economics and provide an example. K3 (9)
- 7) Explain the Law of Variable Proportions and provide an example illustrating its application. K4 (8)
- 8) How do they contribute to a firm's cost efficiency and competitive advantage? K4 (12)

OR

- Explain the "Law of Variable Proportions" in detail, including its assumptions and implications for production. K4 (12)