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School of Liberal Education

Bachelor of Arts Honours in Economics

Mid Term Examination - May 2024

Duration : 90 Minutes

Max Marks : 50

Sem II - K1UB207T - Advance Micro Economics*General 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) Discuss main forms of market? K2 (2)
- 2) Identify price line under perfect competition? K1 (3)
- 3) Explain Marginal Rate of Substitution, with the help of the formula . K2 (4)
- 4) Why does demand curve slopes downward? Discuss. K2 (6)
- 5) Differentiate between Increase and Decrease of supply. K3 (6)
- 6) Explain the circumstances in which demand curve slopes upwards. K3 (9)
- 7) Criticize the law of supply curve with the help of the examples. K4 (8)

- 8) Explain the difference between increase in demand and extension of demand and decrease in demand and contraction of demand. K4 (12)

OR

Discuss the Hicks Approach to consumer equilibrium. K4 (12)