ST. FRANCIS DE SALES COLLEGE
A FRANSALIAN INSTITUTE OF HIGHER EDUCATION AUTONOMOUS
NAAC A GRADE ● AFFILIATED TO BANGALORE UNIVERSITY ● AICTE APPROVED ● 2(F) & 12 (B) RECOGNITION OF UGC ● ISO 9001:2015 CERTIFIED
Electronics City P.O., Bengaluru - 560 100, Karnataka, INDIA (+91) 8088140679 pro@sfscollege.in www.sfscollege.in

END SEMESTER EXAMINATION - NOVEMBER/DECEMBER 2025

ECONOMICS - I SEMESTER BA

25UBA14A – MICRO ECONOMICS

Time: 3 Hours **Max. Marks: 80**

Instruction: *Answer should be written completely in English.*

SECTION - A

Answer any ten questions. Each question carries two marks. **(10X2=20)**

1. Define an indifference curve.
2. State two reasons why it is important to study consumer behaviour.
3. If the price of apples increases, what will likely happen to their demand? Explain in one line.
4. Differentiate the concept of Fixed Cost and Variable Cost.
5. Apply Long Run cost theory to explain constant returns to scale.
6. What does the point of tangency between isoquant and iso-cost line indicate?
7. Differentiate between automation and digital transformation.
8. Why do large firms usually enjoy a cost advantage over small firms?
9. Write a note on Perfect Competitive Market.
10. Define oligopoly.
11. Mention two conditions necessary for Pareto Optimality.
12. Define Pareto Efficiency in Production.

SECTION - B

Answer any six questions. Each question carries five marks. **(6X5=30)**

13. Write a short note on the budget line.
14. Describe the five types of Price Elasticity of Demand with diagram.
15. Discuss the importance of optimum scale of plant.
16. Mention any five digital technologies used in modern production systems.
17. Suppose two textile firms operate in the same region. Explain how external economies of concentration can benefit both firms even if they are competitors.
18. Describe how price rigidity occurs under oligopoly according to the Kinked Demand Curve Model.
19. Explain the Monopolistic Competition and its features with examples.
20. Explain with an example how a price drop increases consumer surplus for buyers.

SECTION - C

Answer any three questions. Each question carries ten marks. **(3X10=30)**

21. Apply indifference curve analysis to explain consumer equilibrium
22. Explain the different types of Short Run Cost curves with diagram.
23. Discuss the advantages and limitations of economies of scale. Why do firms face rising costs beyond a certain level of expansion?
24. Using suitable diagrams, apply the Classical and Keynesian theories of interest to explain how changes in savings and investment influence the rate of interest.
25. Differentiate between cardinal and ordinal utility.