

St. Xavier's College Jaipur

Course: B.A. Semester I (Economics Minor)

Subject: 101: PRINCIPLES OF MICROECONOMICS

Question Bank

1. What do you understand by Ordinal Utility Analysis? Explain consumer equilibrium with the help of Indifference curve and budget line.
2. Discuss the Consumer Equilibrium in case of Single commodity with the help of Law of Diminishing Marginal Utility.
3. Elaborate on the three basic problems of an economic system?
4. Explain the division of Income and Substitution effect in the Price for an Inferior good through Hicksian and Slutsky Approach.
5. Explain the law of Demand with the help of an example. How is the shift of Demand curve different from movement along a demand curve? Give the circumstances under which it is not operative.
6. Define the equilibrium of a market. Describe the forces that move a market toward its equilibrium.
7. Explain the consumer's equilibrium with the help of indifference curve analysis.
8. Discuss the Law of Diminishing marginal utility and the equilibrium condition in case of single commodity.
9. Explain the difference between microeconomics and macroeconomics. How do these branches of economics differ in their areas of study and focus? Provide examples to illustrate these differences.
10. Explain the Income effect and the Price Effect using the Indifference Curve Analysis.
11. Explain the Law of Demand. What are the determinants of demand in an economy? Explain with a help of diagram.

12. Explain the Law of Equi- marginal utility in detail using appropriate example.
13. Explain the Law of Supply and its implications on producer behaviour. Detail the determinants of supply in an economy.
14. State the consumer's equilibrium through ordinal approach and explain its superiority.
15. Using a diagram, explain the concept of consumer and producer surplus.
16. Explain the Law of Equi- marginal utility in detail using appropriate example.
17. What do you understand by Cardinal utility Analysis? Distinguish between Marginal Utility and Total Utility. Prove that the Total Utility is maximum only when the Marginal Utility is zero.
18. What do you understand by Elasticity of Demand? Explain various degrees of Price Elasticity of Demand.
19. Explain the Law of Demand. What are the determinants of demand in an economy? Explain with a help of diagram.
20. What are the demand schedule and the demand curve, and how are they related? Why does the demand curve slope downward?
21. What are the supply schedule and the supply curve, and how are they related? Why does the supply curve slope upward?
22. Define elasticity of Demand. What are the various degrees of Price Elasticity? What are the methods of measuring elasticity?