

School of Distance Education, University of Kerala

B.A. ECONOMICS

Assignment Topics for Semester II

Core II (ECD 1241) – Micro Economics I

Answer all questions. Each question carries 2 marks.

1. What are the basic economic problems faced by an economy?
2. Describe the different methods of measuring elasticity of demand.
3. Explain consumer's equilibrium using cardinal utility analysis.
4. Write a note on revealed preference theory.
5. Discuss the law of returns to scale.

Case Analysis Topic for Semester II

Core II (ECD 1241) – Micro Economics I

Attempt both parts of the question (10 marks).

1. The values in table given below refer to the change in an individual's consumption of coffee and tea when the price of coffee rises (everything else, including the price of tea, remains the same).

	Before		After	
Commodity	Price (Rs.)	Quantity	Price (Rs.)	Quantity
Coffee	40	50	60	30
Tea	20	40	20	50

- a) Draw a figure showing the shift in demand curve for tea and explain the figure.
- b) Draw a figure showing the movement along the demand curve of coffee and explain the figure.