



BCOG-171: Principles of Micro Economics

1. Fundamental Concepts

1. What is an economic system? Explain the fundamental problems of an economy.
2. Differentiate between Microeconomics and Macroeconomics. Discuss the scope of Microeconomics.
3. Explain the concept of Production Possibility Curve (PPC). Enumerate its assumptions and illustrate with an example.
4. State the Law of Demand. Discuss its exceptions using the distinction between substitution and income effects.
5. Explain the Law of Diminishing Marginal Utility and its limitations. Is this law applicable to money? Justify your answer.
6. Define Total Utility, Average Utility, and Marginal Utility. Distinguish between them with examples
7. Explain the concept of price elasticity of demand. How is it measured?
8. What are the determinants of elasticity of supply? Explain with examples.
9. Discuss the properties of indifference curves. Show that a budget line is tangent to only one indifference curve.
4. Market Structures and Revenue
10. What is a market? Explain the conditions of market equilibrium with the help of a diagram.

11. Define marginal revenue and average revenue. How do they behave under perfect competition?
12. What is interdependence in an oligopolistic market? Discuss the problems it creates for achieving equilibrium.
13. Explain the Ricardian theory of rent. Can rent be earned by factors other than land?
14. Distinguish between fixed cost and variable cost. Provide examples for each.
15. What is the concept of quasi-rent? How does it differ from economic rent?