Reg No:................
Name:.................

# Third Semester FYUGP Degree Examination NOVEMBER 2025

# KU3DSCECO201/KU3DSCDEC201/KU3DSCSSE201 - INTERMEDIATE MICROECONOMICS

2024 Admission onwards

Time : 2 hours Maximum Marks : 70

## Section A

**Answer any 6 questions. Each carry 3 marks.**

1. Explain the nature of demand curve of a firm and industry in a perfect competitive market.
2. State the profit maximisation condition under the MC–MR approach.
3. What is meant by substitution among inputs?
4. Define the user cost of capital.
5. Define an iso-cost line.
6. What is the shape of AR and MR curves under monopoly market
7. Name two common sources of monopoly power.
8. Define bilateral monopoly.

## Section B

**Answer any 4 questions. Each carry 6 marks.**

9. Discuss the concept of isoquants and their properties.
10. Draw and explain isoquants for perfect substitutes and perfect complements
11. Describe the concept of the iso-cost line with a diagram.
12. Explain how AR and MR curves behave under monopoly.
13. What causes excess capacity under monopolistic competition?
14. What is excess capacity in monopolistic competition, and why does it occur in the long run?

## Section C

**Answer any 2 questions. Each carry 14 marks.**

15. Discuss the bifurcation of the price effect into income and substitution effects. Explain how the price effect differs for normal goods and Giffen goods.

16. Describe the revealed preference theory in detail. How does it help to explain consumer behavior using two budget lines?

17. Analyze the characteristics of perfect competition and explain how they influence firm behavior.