

College Name: _____

Seat No: _____ Student's Name: _____

Copy No: _____

KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2017; AFFILIATED COLLEGES
MICROECONOMICS; BA (H)–311
BS – I

Date: December 22, 2017

Max Time: 100 Mins

Max Marks: 40

INSTRUCTIONS:

- 1. Attempt any 4 questions, all carry equal marks.**
- 2. Do not write anything on the question paper. Except the initials mentioned above.**
- 3. Mobile phones or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

Q2: With the help of diagram explain how the relationship between the shape of indifference curve and marginal rate of substitution develop?

Q3: Explain how the budget constraint might change if income and prices of all goods increased in same proportion?

Q4: Why marginal revenue (MR) is equal to price in a perfectly competitive market?

Q5: Why do monopolies arise? Give few examples of underlying structure that can generate monopoly in a market.

Q6: Can it ever be sensible for a firm to operate when price is below average total cost?

Q7: What factors can influence the supply of labor?

END OF SUBJECTIVE PAPER