S.S.R. DEGREE COLLEGE, (AUTONOMOUS)
NIZAMABAD (C.C:5029)
I SEMESTER INTERNAL ASSESSMENT – I EXAMINATIONS
B.A. ECONOMICS QUESTION BANK
SUB: MICRO ECONOMICS

I. Multiple Choice

1. In ordina utility analysis consumer equilibrium is achieved when (B)
   a) Mux/px = MUy/py b)MRSxy = $\frac{Px}{Py}$ c) MUx = MUy d)Px = Py
2. The slope of an indifference curve is given by (B)
   a) Mux/MUy b)MUx/MUy c)Px/Py d)Py/Px
3. In consumer equilibrium the slope of the budget line equals (D)
   a)MUx/MUy b)Px/Py c)MRSxy d)Both B and c
4. If the price of one good changes the budget line will (B)
   a)Shift parallel to itself b)Rotate around one intercept
   c) Remain unchanged d) Disappear
5. At consumer equilibrium in ordinal theory (C)
   a)Slope of IC = slope of BL b)MRSxy = Px/Py c) Both A and B d)MUx=MUy
6. Nudge theory is closely related to (B)
   a)Classical economics b)Behavioural economics c)Macro Economics d)International Trade
7. An AI powered recommendation system on e – commerce webriter is an example of
   a)Supply chain optimization b)Personalized marketing c)Manual data entry (B)
   d) Market deregulation
8. One ethical concern in using AI for consumer decision making is (B)
   a) Faster delivery b)Data private issues c)Improved customer Satisfaction d) Inventary Management
9. Chat bots used in customer service Mainly help in (B)
   a) Manufacturing b)Real time consumer s interaction
   c)Reducing product quality d) Tap calculation
10. Which facts mort reduces price extasticity in digital Products (A)
    a) High brand loyalty b)Multiple free alternatives
    c) Price comparsion websites d)Seasonal discounts
11. In digital Markets network Effects tend to make demand. ( )
    a) More Elastic b) Less Elastic c)Perfectly Elastic d)unitary elastic
12. If a 10% price drop in a cloud storage plan increases demand by 20% the Elasticity is (C)
    a)0.5 b)1.0 c) 2.0 d)o
13. In digital Markets which factor often increases. Elasticity (B)
    a) strong network Effects b) more competitors.
    c) Brand Exclusivity d) legal restrictions.
14. In the short sun, at least one factor of production is (A)
    a) variable b)fixed c) Constant returns d) won productive
15. The Law of diminishing returns is applicable in (B)
    a)Long run only b) short run only c) Both a & b d) Never
16. Which of the following is an example of a production (A)
    a) cobb douglar function b) Law of demand c) Keynesian Consumption function
    d) Supply

17. Combining automation AI and sustainability helps companies (D)
    a)Increase, waste b)Reduce efficiency c)Lover cost d)Avoid Technology use
18. Returns to scale measures the relationship between (B)
    a) Output and costs b)Output and input c)Price and quantity demand d)Revenue and profit
19. Which law is closely related to the concept of Returns to scale (D)
    a)Law of supply b)Law of demand c)Law of proportionate Change in output
    d) Low of diminishing utility
20. In the long sun returns to scale occur because (B)
    a) some factors core fixed b) All factor c) Marginal productivity falls
    d) Technology remains constant.
21. The cobb douglas production function (B)
    a) The sum of Exponents >1 b) the sum of Exponents = 1
    c) The sum of Exponents <1 d) None of the above
22. One key feature of digital platforms the improves efficiency is (B)
    a) Data silos b) Real time data sharing c) Limited collaboration d)Offline only communication
23. A Potencial risk of heavily on digital platforms for production (B)
    a) Reduced productivity b) cyber security theats
    c) Increased paper work d) Higher manual labor consts
24. Data analysis in production can help (A)
    a)Process optimization b) Increasing waste
    c) Ignoring market demand d) Reducing product quality
25. Which metric is often tracked using production data (A)
    a) Output per hour b)Employee birthdays
    c) Social media likes d) Movie ratings

II. Fill In the blanks

1. Indifference curves ate convex, to the origin because of the <u>diminishing Marginal Rate of substitution</u>
2. <u>Price ratio</u> Ratio of prices of the two goods.
3. AI helps in <u>Personalizing</u> consumer Experiences
4. AI Powered <u>recommendation systems</u> suggest Product
5. In the digital Market Price Elasticity is often higher.
6. Digital Markets involve <u>online transactions</u> for goods and services.
7. Examples of digital Markets <u>E-commerce</u>
8. AI involves <u>Machine learning</u> for learning from dada.
9. AI Enables <u>Automation</u> of tasks and Processes.
10. which Effect refers to change in consumption due to a change in real income <u>Income Effect</u>
11. which refers to the change in consumption dive to a price Change <u>substitute Effect</u>
12. Production function is Q = FLL.K)
13. Inputs Include <u>Labour Capital and technology</u>
14. A production function shows the <u>Maximum out put</u>
15. Automation is the use of <u>Technology</u>
16. The primary goal of automation is improve <u>productivity</u>
17. Automation Reduce <u>human errors</u>
18. The Law of returns to scale is a <u>Long run</u> concept.
19. Increasing returns to scale often occur due to <u>Economics</u> of scale.
20. Example of popular digital platforms, <u>Amazon, facebook</u>
21. A major risk for digital platforms is <u>cyber security</u>
22. The term API Stands for <u>application Programming Interface</u>
23. The cob douglas function is widely used in <u>Economics</u>

24. Big data supports decision making in production by providing data Inrights
25. In production analysis Big Data helps identify patterns and trends that effect productivity

III. Descriptive Questions

1. Explain the consumer equilibrium ordinal utility ?
2. Explain nudge theory ?
3. Importance and role of AI is consumer decision making ?
4. Explain automation and Ai in production sustainable production method?
5. Cobb Douglas function ?