

**Al-Saudia Virtual Academy**  
**Pakistan Online Tuition – Online Tutor Pakistan**

**M.A (PREVIOUS) EXAMINATION 2002 HELD IN 2003**  
**ECONOMICS (PAPER-I)**  
**(MICRO ECONOMICS)**

**Time: 3 Hours**

**Max. Marks: 100**

(1) Attempt any Five Questions.

(2) All questions Carry equal marks.

(3) Draw diagrams where ever necessary

Q-1 (a) Define the term “Equilibrium” and explain its significance in economic analysis.

(b) State the different types of “Equilibrium” with examples.

Q-2 (a) Explain consumer’s equilibrium with the help of indifference curve technique.

(b) How would the equilibrium of a consumer in respect of a particular commodity be affected if.

(i) The price of the commodity rises.

(ii) The income of the consumer falls.

Q-3 (a) what are the salient features of perfect competition? Explain the firm’s equilibrium under perfect completion in a short run.

(b) Compare the long run equilibrium of a firm under perfect competitor with the long run equilibrium of monopoly market.

Q-4 State and explain the “Marginal Productivity Theory” with the help schedule and a diagram.

Q-5 (a) what is mean by “Marginal rate of Substitution”?

(b) State and explain the “Law of diminishing marginal rate of substitution.”

Q-6 State and explain the “Law of variable proportions” Illustrate diagrammatically.

Q-7 Critically examines the “Marginal Rules” of welfare economics.

Q-8 Explain the concept of “Game Theory” in economics with the help of examples.

Q-9 Write short notes on any Two of the following:

(i) Ricardian Theory of Rent.

(ii) Price elasticity of demand and its significance.

(iii) Law of equi-marginal utility.

(iv) Kinked demand curve.

