

## ALLAMA IQBAL OPEN UNIVERSITY

Level: **Bachelor**  
Paper: **Microeconomics (131)**  
Time Allowed: 3 hrs

Semester: Spring 2009  
Maximum Marks: 100  
Pass Marks: 40

Note: - **ATTEMPT FIVE QUESTIONS. ALL CARRY EQUAL MARKS.**

<b>Q.NO.1</b>	Differentiate between the following:- (a) Microeconomics and Macroeconomics (b) Positive economics and normative economics.
<b>Q.NO.2</b>	Write down the salient features of command economy and market economy. Also compare them technically.
<b>Q.NO.3</b>	Explain the cardinal and ordinal approaches of utility by giving at least two examples for each case.
<b>Q.NO.4</b>	What is the law of demand? Also describe the limitations of this law.
<b>Q.NO.5</b>	Explain the concept of price elasticity of demand. Also explain how it is measured?
<b>Q.NO.6</b>	How consumer equilibrium is achieved under indifference curve approach. Explain with the help of diagram.
<b>Q.NO.7</b>	Differentiate between sole proprietorship and partnership by giving some suitable examples.
<b>Q.NO.8</b>	Differentiate briefly between: (a) Average cost and Marginal cost. (b) Constant return to scale and increasing return to scale. (c) Long-run costs and short-run costs. (d) Firm demand curve and Market demand curve.

