

1. Answer the following questions [1 x 6 = 6]
- Higher the Indifference Curve, _____ is the level of Satisfaction.
 - Slope of Indifference Curve is _____.
 - Points above the Budget line are _____.
 - What is cardinal utility approach?
 - Show the Budget Equation.
 - What is the slope of Budget line?
2. Answer any two of the following [2 x 2 = 4]
- A consumer with his given income can buy 20 units of Good X and 12 units of Good Y. Given the Prices of X and Y as Rs 15 and Rs 25 respectively. Find out the income of the consumer.
 - Explain the shape of IC in case of Perfect substitutes.
 - What is Marginal Utility?
3. Answer any two of the following questions [5 x 2 = 10]
- What is income effect? Explain the Income Consumption Curve for normal goods.
 - Explain the concept of consumer's Equilibrium.
 - Explain the Hicksian Substitution effect.