

2013

(1st Semester)

ECONOMICS

FIRST PAPER

(Microeconomics)

Full Marks : 75

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 50)

The figures in the margin indicate full marks for the questions

Answer all questions

1. What is economics? What are the specialised branches of economic studies? 4+6=10

Or

What is price mechanism? Point out the conditions required for price mechanism to play its role effectively. 4+6=10

2. What do you mean by indifference curve? Discuss the properties of an indifference curve. 4+6=10

Or

Define price elasticity of demand. Explain one method of measuring price elasticity of demand. 4+6=10

3. State and explain the properties of an isoquant. 10

Or

What is meant by cost function? Explain the different concepts of cost. 2+8=10

4. What is monopolistic competition? What are the main characteristics of such a market? 2+8=10

Or

Explain with a diagram, the Cournot's model of duopoly. 10

5. What is monopoly? How does a monopolist determine price and output in the short-run? 4+6=10

Or

Discuss the zero-profit theorem under perfect competition. 10

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ECONOMICS

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(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

SECTION—A

(Marks : 10)

Tick (✓) the correct answer in the brackets provided :

1×10=10

1. Scarcity definition of economics is given by

(a) Adam Smith ()

(b) Alfred Marshall ()

(c) Lionel Robbins ()

2. Normal demand curve of a commodity

(a) has a positive slope ()

(b) is vertical in shape ()

(c) has a negative slope ()

3. Marginal cost is

(a) the additional cost of producing an extra unit of output ()

(b) the additional cost of production ()

(c) the additional unit of output ()

4. In case of normal goods, the income effect is

(a) zero ()

(b) positive ()

(c) negative ()

(3)

5. Returns to scale refer to changes in output, when

- (a) all factors are changed in the same proportion ()
- (b) there is change in factor proportions ()
- (c) none of the factors is changed ()

6. An isoquant slopes

- (a) upward to the left ()
- (b) upward to the right ()
- (c) downward to the right ()

7. Under which market, a firm exercises no control over the price of its product?

- (a) Perfect competition ()
- (b) Oligopoly ()
- (c) Monopoly ()

(4)

8. All combinations of the two inputs physically capable of producing a given level of output is shown by

- (a) indifference curve ()
- (b) isoquant ()
- (c) iso-cost curve ()

9. Under perfect competition

- (a) $MC = Price$ ()
- (b) $MC > Price$ ()
- (c) $MC < Price$ ()

10. Charging of different prices from different buyers for the same product is

- (a) price determination ()
- (b) price rigidity ()
- (c) price discrimination ()

(5)

SECTION—B

(Marks : 15)

Write short notes on the following :

3×5=15

1. The law of demand

(6)

2. Giffen goods

(7)

3. The law of variable proportion

(8)

4. Positive and normative economics

5. Meaning and objectives of economic models
