

**2 0 1 5**

( 1st Semester )

**ECONOMICS**

Paper No. : ECO-101

**( Microeconomics—I )**

*Full Marks : 70*

*Pass Marks : 45%*

*Time : 3 hours*

( PART : B—DESCRIPTIVE )

( Marks : 45 )

*The figures in the margin indicate full marks  
for the questions*

1. Make a brief comparative study of the definitions of Economics as given by Marshall and Robbins.

*Or*

Define 'economic problem'. How does it give rise to basic economic problems in an economy?

2. Show how a consumer can attain equilibrium with the help of indifference curves analysis.

9

*Or*

Discuss the concept of consumer surplus with a suitable example.

3. Distinguish between short-run and long-run production functions. 9

*Or*

Explain the case of constant returns to scale with example.

4. Why is the long-run average cost curve L-shaped? Answer with proper reasons. 9

*Or*

Define cost of production. What are the relationship between AC curve and MC curve? 2+7=9

5. Discuss the following criteria of social welfare : 4½+4½=9

(a) Growth of GNP

(b) A cardinalist criterion

*Or*

Define welfare economics. Examine the scope of welfare economics. 2+7=9

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( 1st Semester )

**ECONOMICS**

Paper No. : ECO-101

**( Microeconomics—I )**

( PART : A—OBJECTIVE )

( Marks : 25 )

*The figures in the margin indicate full marks for the questions*

**SECTION—I**

( Marks : 15 )

**A.** Put a Tick (✓) mark against the correct answer :

1×10=10

1. The welfare definition of Economics was propounded by

(a) Adam Smith ( )

(b) Alfred Marshall ( )

(c) L. Robbins ( )

(d) A. C. Pigou ( )

2. At the midpoint on the demand curve, the elasticity of demand is equal to
- (a) one ( )
  - (b) zero ( )
  - (c) infinity ( )
  - (d) All of the above ( )
3. Which one of the following curves shows the quantities of a good which the consumer will purchase at various levels of income, given his tastes, preferences and price of the good in question?
- (a) Demand curve ( )
  - (b) Supply curve ( )
  - (c) Cost curve ( )
  - (d) Engel curve ( )
4. Who said that 'utility is cardinally measured'?
- (a) Robbins ( )
  - (b) Hicks ( )
  - (c) Marshall ( )
  - (d) Pigou ( )

5. When the total product curve reaches its maximum point, the marginal product becomes equal to
- (a) 1 ( )
  - (b) 0 ( )
  - (c)  $\infty$  ( )
  - (d) -1 ( )
6. The C-D function is linear and homogeneous of degree one, when
- (a)  $\alpha - \beta = 1$  ( )
  - (b)  $\alpha + \beta > 1$  ( )
  - (c)  $\alpha + \beta = 1$  ( )
  - (d)  $\alpha + \beta < 1$  ( )
7. Which one of the following cost curves is not a U-shaped curve?
- (a) AVC curve ( )
  - (b) AC curve ( )
  - (c) MC curve ( )
  - (d) AFC curve ( )

8. The reason for the existence of L-shaped long-run average cost curve is
- (a) law of variable proportions ( )
  - (b) technical progress ( )
  - (c) diminishing returns ( )
  - (d) diseconomies of scale ( )
9. Pareto welfare theory avoids
- (a) cardinal measurement ( )
  - (b) ordinal measurement ( )
  - (c) value judgment ( )
  - (d) None of the above ( )
10. The concept of social welfare function was first introduced by
- (a) Kaldor ( )
  - (b) Bergson ( )
  - (c) Scitovsky ( )
  - (d) Pareto ( )

B. Indicate *True (T)* or *False (F)* by a Tick (✓) mark :

1×5=5

1. AVC curve is not a U-shaped curve.

( T / F )

2. The scarce means are capable of alternative uses.

( T / F )

3. When total product starts declining, the MP curve becomes positive.

( T / F )

4. Variable costs are known as prime costs of production.

( T / F )

5. Economic welfare implies the welfare of a group or society comprising all individuals.

( T / F )

( 6 )

SECTION—II

( Marks : 10 )

C. Write short notes on any *five* of the following :

2×5=10

1. Elasticity of Demand

2. Deductive Method

### 3. Income Effect

4. Returns to Scale

5. Average Product

4

6. Variable Costs

7. Cost Function

8. Social Welfare

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