

2016

(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. State the law of demand. Why does the demand curve slope downward from left to right? 4+5=9

Or

Explain the total outlay method of measuring elasticity of demand. 9

2. Explain substitution and income effects with the help of indifference curves. 9

Or

Explain the consumer's equilibrium under cardinal utility analysis. 9

3. Explain the law of variable proportions with a suitable example. 9

Or

Explain the producer's equilibrium or least cost combination of factors of production. 9

4. Explain why the average cost curve is U-shaped. 9

Or

Long-run average cost curve is flatter. Why? Explain with proper reasons. 9

5. Discuss the concept of welfare economics and role of value of judgements in welfare economics. 9

Or

Critically explain the basic conditions of Pareto's optimality. 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 scarcity definition of economics was propounded by

(a) Adam Smith ()

(b) Alfred Marshall ()

(c) L. Robbins ()

(d) A. C. Pigou ()

2. The curve on which combinations of goods are shown is called

(a) indifference curve ()

(b) utility curve ()

(c) demand curve ()

(d) None of the above ()

3. In the modern theory, long-run average cost curves are shaped like

(a) U-shaped ()

(b) V-shaped ()

(c) L-shaped ()

(d) S-shaped ()

4. In case of substitute goods, cross elasticity of demand is

(a) zero ()

(b) negative ()

(c) positive ()

(d) None of the above ()

5. The production function relates
- (a) waves to output ()
 - (b) costs to input ()
 - (c) inputs to output ()
 - (d) costs to output ()
6. "Law of diminishing return is as universal as the law of life itself." Who has given this statement?
- (a) Marshall ()
 - (b) Robinson ()
 - (c) Wicksteed ()
 - (d) Walras ()
7. Consumer's surplus is the difference between
- (a) price offered and price paid ()
 - (b) price demanded and price paid ()
 - (c) price would have been paid and price actually paid ()
 - (d) None of the above ()

8. Welfare economics is
- (a) objective economics ()
 - (b) abstract economics ()
 - (c) positive economics ()
 - (d) All of the above ()
9. The explicit cost plus implicit cost is known as
- (a) economic cost ()
 - (b) opportunity cost ()
 - (c) production cost ()
 - (d) None of the above ()
10. The optimum distributions of goods among different consumers take place, when
- (a) $MRTS^A_{LK} = MRTS^B_{LK}$ ()
 - (b) $MRS^A_{xy} = MRS^B_{xy}$ ()
 - (c) $MRS_{xy} = MRT_{xy}$ ()
 - (d) None of the above ()

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

1×5=5

1. The price elasticity of demand for necessary goods is more elastic.

(T / F)

2. Indifference curves cannot intersect each other.

(T / F)

3. Law of diminishing returns to scale is relevant to short period.

(T / F)

4. Long-run average cost curve is also called envelop curve.

(T / F)

5. Pareto's welfare theory is based on ordinal measurement.

(T / F)

(6)

SECTION—II

(Marks : 10)

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

2×5=10

1. Elasticity of supply

2. Inductive method

3. Indifference curve

4. Marginal product

5. Consumer's surplus

6. Economies of scale

7. Concept of cost

8. Economic welfare
