

2018

( 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. (a) Distinguish between positive economics and normative economics.  $4\frac{1}{2}+4\frac{1}{2}=9$

Or

- (b) Discuss the basic problems of an economy. 9

2. (a) What are the two components that Slutsky's equation deals with? Write a short note on Slutsky's equation.  $2+7=9$

Or

(b) Distinguish between utility and ordinal utility.  $4\frac{1}{2}+4\frac{1}{2}=9$

3. (a) Briefly discuss the three stages of the law of variable proportion. 9

Or

(b) What do you mean by least cost combination? Discuss price and output decision for two firms when one of the firm is a least cost firm.  $2+7=9$

4. (a) Discuss the shapes of the cost curves under traditional and modern theory of cost.  $4\frac{1}{2}+4\frac{1}{2}=9$

Or

(b) Long-run average cost curve is an envelope cost. Discuss. 9

5. (a) Discuss the nature of welfare economics and the role of value judgement in welfare economics. 9

Or

(b) Discuss Pareto 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. In modern theory of cost, average cost curve is a/an

(a) L-shaped ( )

(b) U-shaped ( )

(c) None of the above ( )

(d) All of the above ( )

2. A variable cost is not related to

- (a) short run ( )
- (b) long run ( )
- (c) Both the options (a) and (b) are correct ( )
- (d) Both the options (a) and (b) are wrong ( )

3. Positive economics is concerned with

- (a) what is morally right ( )
- (b) profit motives ( )
- (c) Both the options (a) and (b) are correct ( )
- (d) Both the options (a) and (b) are wrong ( )

4. In an indifference, the utility derived by consumption of the two goods is

- (a) constant ( )
- (b) variable ( )
- (c) Cannot be determined ( )
- (d) None of the above ( )

5. Demand curve of a normal good has a slope which is

- (a) negative ( )
- (b) positive ( )
- (c) undetermined ( )
- (d) None of the above ( )

6. Production function is a/an

- (a) input-output relationship ( )
- (b) optimum output from the use of inputs ( )
- (c) factor-product relationship ( )
- (d) None of the above ( )

7. Any cost curves are the function of

- (a) output ( )
- (b) input ( )
- (c) Both (a) and (b) ( )
- (d) Neither (a) nor (b) ( )

8. In utility analysis, cardinal utility means
- (a) utility can be counted with its units ( )
  - (b) utility cannot be counted ( )
  - (c) utility should be derived by guessing ( )
  - (d) utility cannot be determined at all ( )
9. "Economics is a study of human behaviour as a relationship between ends and scarce means which have alternative uses." This definition is given by
- (a) Alfred Marshall ( )
  - (b) Adam Smith ( )
  - (c) L. Robbins ( )
  - (d) A. C. Pigou ( )
10. The absolute value of price elasticity of demand ranges between
- (a) 0 and 1 ( )
  - (b) +1 and -1 ( )
  - (c) 0 and  $\infty$  ( )
  - (d) -1 and 0 ( )

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

1×5=5

1. Unlimited wants of the people is an economic problem.

( T / F )

2. Consumer surplus should be analyzed from a demand curve.

( T / F )

3. The law of variable proportion is a long-run concept.

( T / F )

4. The shape of average cost curves in both the traditional and modern theory of cost is the same.

( T / F )

5. Pareto optimum is also called economic efficiency.

( T / F )

SECTION—II

( Marks : 10 )

C. Answer/Write short notes on any *five* of the following : 2×5=10

1. Demand elasticity



( 7 )

2. Define production function.

3. Explain cost curves.

4. Explain the relationship between production and cost curves.

5. Explain the relationship between production and cost curves.

6. Explain the relationship between production and cost curves.

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24. Explain the relationship between production and cost curves.

25. Explain the relationship between production and cost curves.

3. Engel curve

4. Fixed cost curve

5. Factor substitution

6. Cost function

7. Individual welfare

8. What are the concepts of social welfare?

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