

NOV 2014

2014

( 1st Semester )

**ECONOMICS**

**FIRST PAPER**

**( Microeconomics—I )**

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. Explain briefly Robbins' definition of Economics. 10

Or

What is meant by equilibrium? Explain the market equilibrium with suitable diagram. 4+6=10

2. What is an indifference curve? Explain the various properties of an indifference curve.

3+7=10

Or

Explain the Hicksian method of decomposing price effect into substitution and income effects.

10

3. State and explain the law of variable proportions.

10

Or

Define average cost, marginal cost and total cost. Also explain the relationships among the three concepts of cost.

4+6=10

4. Explain how short-run equilibrium is achieved by a firm under perfect competition.

10

Or

What is oligopoly? Explain the characteristics of an oligopolistic market.

2+8=10

5. What is meant by price discrimination? Explain the conditions under which price discrimination is profitable.

2+8=10

Or

Explain zero-profit theorem.

10

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2014

(1st Semester)

**ECONOMICS****FIRST PAPER****( Microeconomics—I )**

( 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. 'Economics study material requisites of well-being' was given by

(a) Adam Smith ( )

(b) Samuelson ( )

(c) Alfred Marshall ( )

(d) Lionel Robbins ( )

2. The law of demand states that when

- (a) income rises, demand rises ( )
- (b) price rises, demand falls ( )
- (c) price falls, demand falls ( )
- (d) income and price rise, demand rises ( )

3. Indifference curve analysis is based on

- (a) ordinal utility analysis ( )
- (b) cardinal utility analysis ( )
- (c) marginal utility analysis ( )
- (d) None of the above ( )

4. In the case of necessity goods, coefficient of income elasticity is

- (a) less than unity ( )
- (b) equal to unity ( )
- (c) greater than unity ( )
- (d) less than or equal to unity ( )

5. In economics, 'short run' refers to a period of time in which the supply of

(a) all inputs is elastic ( )

(b) all inputs is inelastic ( )

(c) certain inputs is inelastic ( )

(d) None of the above ( )

6. Total cost curve is

(a) downward sloping ( )

(b) horizontal ( )

(c) upward sloping ( )

(d) None of the above ( )

7. Monopolistic firm can fix

(a) both price and output ( )

(b) either price or output ( )

(c) neither price nor output ( )

(d) None of the above ( )

8. A special case of an oligopoly with two firms is called

- (a) duopoly ( )
- (b) oligopoly ( )
- (c) monopoly ( )
- (d) monopolistic competition ( )

9. Which of the following is the factor affecting supply in the market?

- (a) Price of the goods and related goods ( )
- (b) Prices of inputs and number of firms ( )
- (c) Conditions of production and expectations of the sellers ( )
- (d) All of the above ( )

10. For a monopoly firm

- (a) MR curve is equal to AC curve ( )
- (b) MR curve coincides with AC curve ( )
- (c) MR curve lies below AR curve ( )
- (d) MR curve lies above AR curve ( )

( 5 )

SECTION—B

( Marks : 15 )

Write short notes on the following :

3×5=15

1. Basic problems of Economics

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2. Engel curve

( Marks : 12 )

Write short notes on the following:  
1. Basic problems of Economics

9. What are the following in the market?

- (a) Price of the goods and services
- (b) Prices of minimum wages to ensure
- (c) Credit facilities and subsidies to the
- (d) All other

10. For a monopolist firm

- (a) MR curve is equal to AR curve
- (b) MR curve is below AR curve
- (c) MR curve lies below AR curve
- (d) MR curve lies above AR curve

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3. Isoquant

4. Administered prices

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4. Administered prices

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5. Monopoly profit

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