2017

(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

1. *(a)* "Economics is a study of mankind in the ordinary business of life."

   Critically discuss the above statement. 10

   Or

   (b) Explain the role of price mechanism in solving the basic economic problem. 10

2. (a) What is an indifference curve? Discuss the properties of an indifference curve. 2+8=10

Or

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

3. (a) Explain the law of variable proportion with suitable diagram. 10

Or

(b) What is meant by cost of production? Explain the different concepts of cost. 2+8=10

4. (a) What is perfect competition? Explain how price is determined under perfect competition. 2+8=10

Or

(b) Explain the short-run equilibrium under monopolistic competition. 10

5. (a) What is price discrimination? Under what condition is price discrimination possible? 2+8=10

Or

(b) Define monopoly. Show how a monopolist can maximize profit. 2+8=10

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2017

(1st Semester)

ECONOMICS

FIRST PAPER

(Microeconomics)

(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. According to Adam Smith, Economics is

(a) science of wealth ( )

(b) science of scarcity ( )

(c) science of choice ( )

2. In a typical demand schedule, quantity demanded

(a) varies directly with price ( )

(b) varies proportionately with price ( )

(c) varies inversely with price ( )

3. When the percentage change in quantity demanded is greater than the percentage change in price, the elasticity of demand is

(a) inelastic ( )

(b) unitary elastic ( )

(c) elastic ( )

4. Indifference curves are generally

(a) horizontal straight lines ( )

(b) concave to the origin ( )

(c) convex to the origin ( )

5. A producer is in equilibrium at a point where

(a) MC = AC ( )

(b) MC = MR ( )

(c) MC = AR ( )

6. An isoquant slopes

(a) downward to the right ( )

(b) upward to the right ( )

(c) upward to the left ( )

7. A firm under perfect competition earns

(a) normal profit in the long run ( )

(b) supernormal profit in the long run ( )

(c) incurring losses in the long run ( )

8. Monopolistic competition refers to a form of market where

(a) many firms selling homogeneous products ( )

(b) a few firms selling homogeneous products ( )

(c) many firms selling differentiated products ( )

9. A monopolist usually earned

(a) normal profit ( )

(b) supernormal profit ( )

(c) zero profit ( )

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

(a) price rigidity ( )

(b) price discrimination ( )

(c) price flexibility ( )

SECTION—B

(*Marks* : 15)

Write short notes on the following : 3×5=15

1. The law of demand

2. Consumer surplus

3. Expansion path

4. Duopoly

5. Zero-Profit theorem

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