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(CBCS)

(1st Semester)

ECONOMICS

FIRST PAPER

(**Microeconomics—I**)

Full Marks : 75

Time : 3 hours

(**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. "Multiplicity of wants and scarcity of means give rise to economic problems." Who said this?

   (a) P. A. Samuelson   (   )   *(b)* J. M. Keynes   (   )

   (c) L. Robbins   (   )   *(d)* A. Marshall   (   )

2. A typical demand curve shows that quantity demanded

   (a) varies proportionately with price   (   )

   (b) varies inversely with price   (   )

   (c) varies directly with price   (   )

   (d) varies more than proportionately with price   (   )

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3. A consumer reaches equilibrium position when

   (a) he maximizes his total utility given his income and prices of commodities he consumes   ( )

   (b) he maximizes his consumption given his utility   ( )

   (c) he maximizes his total demand   ( )

   (d) he maximizes his consumption   ( )

4. The Hicksian substitution effect takes place on

   (a) two different levels of indifference curve   ( )

   (b) the same level of indifference curve   ( )

   (c) various levels of indifference curve   ( )

   (d) a straight line   ( )

5. The line joining the minimum cost combination is called the

   (a) expansion path   ( )   (b) isocost line   ( )

   (c) average cost curve ( )   (d) indifference curve   ( )

6. Production function is said to be homogeneous of degree one if

   (a) all inputs increase more proportionately than outputs   ( )

   (b) all outputs increase less proportionately than inputs   ( )

   (c) all inputs decrease more proportionately than outputs   ( )

   (d) all inputs and outputs increase in the same proportion   ( )

7. Existence of large number of buyers and sellers is one of the characteristics of

   (a) perfect competition   ( )   (b) monopoly market   ( )

   (c) oligopoly market   ( )   (d) monopsony market   ( )

8. The practice of setting different prices in different markets refers to price discrimination of

   (a) first degree   ( )   (b) second degree   ( )

   (c) third degree   ( )   (d) None of the above   ( )

9. A market form where there is a single buyer is

(a) monopoly market   ( )   (b) monopsony market   ( )

(c) duopoly market   ( )   (d) oligopoly market   ( )

10. Monopolistic competition is a kind of market in which

(a) a fairly large number of firms supplies differentiated products   ( )

(b) a fairly large number of firms supplies homogeneous products   ( )

(c) a single firm supplies product without close substitutes   ( )

(d) All of the above   ( )

SECTION—B

(*Marks* : 15)

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

1. (a) Methodology in economics

OR

(b) Law of supply

2. (a) Budget line

OR

(b) Price effect

3. (a) Isoquants

OR

(b) Economies of scale

4. (a) Discriminating monopoly

OR

(b) Controlled and administered prices

5. (a) Duopoly

OR

(b) Characteristics of monopolistic competition

(PART : B—DESCRIPTIVE)

(Marks : 50)

The figures in the margin indicate full marks for the questions

1. (a) Discuss the meaning, nature and scope of economics. 10

OR

(b) Critically examine Adam Smith's wealth definition of economics. 10

2. (a) What do you mean by elasticity of demand? Explain the different kinds of elasticity of demand. 3+7=10

OR

(b) (i) Distinguish between cardinal utility and ordinal utility. 5

(ii) Mention the properties of indifference curve. 5

3. (a) Distinguish between returns to a factor and returns to scale. With suitable diagram, explain the law of returns to scale. 3+7=10

OR

(b) What are average, marginal and total cost? Explain the relationship among them. 6+4=10

4. (a) What do you mean by perfect competition? What are the characteristics of perfect competition? 3+7=10

OR

(b) What is monopoly market? Show how a monopolist can maximize profit. 2+8=10

5. (a) Define oligopoly. What are the characteristics of oligopoly? 2+8=10

OR

(b) Explain determination of price and output under monopolistic competition. 10

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