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(CBCS)

(1st Semester)

ECONOMICS

FIRST PAPER

(Microeconomics—I)

Full Marks : 75

Time : 3 hours

The figures in the margin indicate full marks for the questions

(SECTION : A—OBJECTIVE)

(Marks : 10)

Tick (✓) the correct answer in the brackets provided :   1×10=10

1. Wealth definition of economics is given by

   (a) Adam Smith   (   )

   (b) David Ricardo   (   )

   (c) Lionel Robbins   (   )

   (d) P. A. Samuelson   (   )

2. The fundamental economic problem being faced is

    (a) the general level of prices   ( )

    (b) multiplicity of wants and scarcity of resources that have alternative uses   ( )

    (c) unemployment   ( )

    (d) decision making by the government   ( )

3. The slopes of the indifference curve and the budget line are

    (a) equal at all points   ( )

    (b) not equal at any point   ( )

    (c) equal only at the point of tangency   ( )

    (d) None of the above   ( )

4. When elasticity of demand is equal to infinity, it is called

    (a) perfectly elastic demand   ( )

    (b) perfectly inelastic demand   ( )

    (c) inelastic demand   ( )

    (d) elastic demand   ( )

5. Law of variable proportion is a

(a) diminishing marginal concept   (   )

(b) short-run concept   (   )

(c) medium concept   (   )

(d) long-run concept   (   )

6. The marginal cost curve intersects the average cost curve when the average cost is

(a) maximum   (   )

(b) minimum   (   )

(c) rising   (   )

(d) falling   (   )

7. A producer is in equilibrium when

(a) MC = AR   (   )

(b) AR = AC   (   )

(c) AC = MR   (   )

(d) MR = MC   (   )

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

(a) monopsony market   ( )

(b) monopoly market   ( )

(c) perfect competition   ( )

(d) oligopoly market   ( )

9. A special case of oligopoly market, where there are only two firms, is

(a) pure monopoly   ( )

(b) duopoly   ( )

(c) pure oligopoly   ( )

(d) monopsony   ( )

10. Kinked demand curve was introduced by

(a) Paul Sweezy   ( )

(b) Mrs. Robinson   ( )

(c) P. A. Samuelson   ( )

(d) Chamberlin   ( )

(Section : B—Short Answers)

(*Marks* : 15)

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

Unit—I

1. Law of demand

OR

2. Price mechanism

Unit—II

3. Cardinal utility

OR

4. Engel's curve

Unit—III

5. Isoquants

OR

6. Economies of scale

Unit—IV

7. Monopoly market

OR

8. Administered price

Unit—V

9. Oligopoly market

OR

10. Monopsony

(SECTION : C—DESCRIPTIVE)

(*Marks* : 50)

Answer the following : 10×5=50

UNIT—I

1. Discuss the meaning, nature and scope of economics.

OR

2. "Economics is a science which studies human behaviour as a relationship between ends and scarce means which have alternative uses." Critically examine the statement.

UNIT—II

3. Show how a consumer attains equilibrium under indifference curve analysis.

OR

4. Discuss Slutsky's or Hicksian method of decomposing price effect into income effect and substitution effect.

UNIT—III

5. State and explain the properties of isoquant.

OR

6. State and explain the law of variable proportions.

Unit—IV

7. Explain the short-run equilibrium under perfect competition.

OR

8. Show, with suitable diagram, how a monopolist determines price and output in the short-run.

Unit—V

9. Explain how equilibrium output and price are determined in Cournot's duopoly model.

OR

10. Explain the equilibrium of a firm under monopolistic competition in the short-run.

★ ★ ★