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(1st Semester)

ECONOMICS

Paper No. : ECO-101

(**Microeconomics—I**)

(New Course)

(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 in the brackets provided : 1×10=10

1. The branch of modern economics which focuses on the ideological, perspective-based, opinion-oriented statements towards economic activities is known as

- (a) positive economics ()
- (b) normative economics ()
- (c) welfare economics ()
- (d) None of the above ()

2. If an increase in the price of y causes an increase in the quantity demanded of x , and the two products are substitutes, the value of cross-elasticity of demand is

- (a) 0 ()
- (b) 1 ()
- (c) >0 ()
- (d) <0 ()

3. The curve that shows how much quantity would be purchased at the changed price by the consumer if the income effect is eliminated is called as

- (a) indifference curve ()
- (b) compensated demand curve ()
- (c) income consumption curve ()
- (d) None of the above ()

4. When the consumer increases the demand for some goods more than proportionately as his money income rises, Engel curve for such goods will be

- (a) upward sloping and convex
downward ()
- (b) downward sloping and concave
downward ()
- (c) upward sloping and concave
downward ()
- (d) downward sloping and convex
downward ()

5. The production function which is linear homogeneous of degree one and shows constant returns to scale when $\alpha + \beta = 1$ is called as
- (a) Cobb-Douglas production function ()
 - (b) Leontief production function ()
 - (c) CES production function ()
 - (d) None of the above ()
6. The slope of iso-quant should be equal to the slope of iso-cost line. This is the necessary condition of equilibrium for
- (a) consumer equilibrium ()
 - (b) producer equilibrium ()
 - (c) market equilibrium ()
 - (d) None of the above ()
7. When MC is more than AC,
- (a) AC rises with increase in output ()
 - (b) AC falls with increase in output ()
 - (c) AC falls with decrease in output ()
 - (d) MC falls with rise in output ()

8. Economies realized from paying lower prices for the factors used in the production and distribution of the product due to bulk-buying by the firm as its size increases is known as
- (a) real economies ()
 - (b) pecuniary economies ()
 - (c) managerial economies ()
 - (d) selling or marketing economies ()
9. The concept of social welfare which involves interpersonal comparison of utility is propounded by whom?
- (a) Bergson and Samuelson ()
 - (b) Hicks and Kaldor ()
 - (c) Pareto ()
 - (d) Robins ()
10. Who argued that welfare is improved when 'the greatest good (is secured) for the greatest number'?
- (a) Jeremy Bentham ()
 - (b) Adam Smith ()
 - (c) Pareto ()
 - (d) Kaldor and Hicks ()

(5)

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

1×5=5

1. The book, *Wealth of Nations* was written by
Alfred Marshall.

(T / F)

2. Indifference curves can intersect each other.

(T / F)

3. Returns to a factor assumes all the factors of
production as variable.

(T / F)

4. Long-run average cost curve is called as the
envelope curve.

(T / F)

5. Pareto's welfare theory is based on ordinal
measurement.

(T / F)

SECTION II

(Marks : 10)

C. Write short notes on any *five* of the following : $2 \times 5 = 10$

1. Concept of equilibrium

2. Basic economic problems

3. Compensated demand

C. Write short notes on

(i) Concept of compensated demand

4. Factor substitution

5. GNP criteria of social welfare

6. Concept of cost

Return to scale

7. Returns to scale

Concept of cost

8. Consumer surplus

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(1st Semester)

ECONOMICS

Paper No. : ECO-101

(Microeconomics—I)

(New Course)

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*

UNIT—1

1. (a) Define economics. Discuss the scarcity definition of economics with its implications. 9

Or

- (b) Define elasticity of demand. Discuss the methods of measuring price elasticity of demand.

UNIT—2

2. (a) Discuss the Hicksian approach to consumer equilibrium in indifference curve analysis.

9

Or

- (b) Discuss Engel curve analysis for individual and group of consumers in case of normal and inferior goods.

UNIT—3

3. (a) Explain short-run and long-run production function. Discuss the relationship between TP, AP and MP in the short run.

9

Or

- (b) Explain Cobb-Douglas production function.

UNIT—4

4. (a) Explain the concept of cost. Why is long-run average cost curve flatter than short-run average cost curve? Discuss.

9

Or

- (b) Define economies of scale. Discuss real and pecuniary economies of scale.

(3)

UNIT—5

5. (a) Define welfare economics. Explain the scope of welfare economics.

9

Or

- (b) Define social welfare. Discuss the criteria for measuring social welfare.
