

Subject Code :
ECO/I/EC/01 (CBCS)

Booklet No. A

Date Stamp

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To be filled in by the Candidate

CBCS

DEGREE 1st Semester

(Arts / Science / Commerce /

) Exam., **2016**

Subject

Paper

To be filled in by the Candidate

CBCS

DEGREE 1st Semester

(Arts / Science / Commerce /

) Exam., **2016**

Roll No.

Regn. No.

Subject

Paper

Descriptive Type

Booklet No. B

INSTRUCTIONS TO CANDIDATES

- 1. The Booklet No. of this script should be quoted in the answer script meant for descriptive type questions and vice versa.**
- 2. This paper should be ANSWERED FIRST and submitted within 1 (one) Hour of the commencement of the Examination.**
- 3. While answering the questions of this booklet, any cutting, erasing, over-writing or furnishing more than one answer is prohibited. Any rough work, if required, should be done only on the main Answer Book. Instructions given in each question should be followed for answering that question only.**

*Signature of
Scrutiniser(s)*

*Signature of
Examiner(s)*

*Signature of
Invigilator(s)*

ECO/I/EC/01(CBCS)

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(CBCS)

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)

- I.** Put a Tick (✓) mark against the correct alternative in the brackets provided : 1×10=10

(a) A free market economy works on the principle of

(i) mixed economy system ()

(ii) socialist economy system ()

(iii) laissez-faire system ()

(2)

(b) A demand curve shows

(i) an inverse relationship between price and quantity demanded ()

(ii) an inverse relationship between price and income ()

(iii) an inverse relationship between income and quantity demanded ()

(c) The cross elasticity of demand between two complementary goods is

(i) negative ()

(ii) neither negative nor positive ()

(iii) positive ()

(d) Indifference curve is based on

(i) cardinal utility analysis ()

(ii) marginal utility analysis ()

(iii) ordinal utility analysis ()

(3)

(e) Homogeneous production function of the first degree implies that factors of production and output

(i) increase in the same proportion ()

(ii) increase in different proportion ()

(iii) increase in higher proportion ()

(f) In production process, economic cost involves

(i) accounting cost + revenue ()

(ii) accounting cost + implicit cost ()

(iii) accounting cost + explicit cost ()

(g) The degree of price discrimination where a firm charges different prices from different class of consumers is called

(i) third-degree price discrimination ()

(ii) second-degree price discrimination ()

(iii) first-degree price discrimination ()

(4)

(h) In perfect competition, firms are in equilibrium in the long run when

(i) $P = SMC = SAC$ ()

(ii) $AR = MR$ but $LMC < LAC$ ()

(iii) $LAC = LMC = AR = MR$ ()

(i) A special case of oligopoly market where there are only two firms is

(i) monopoly market ()

(ii) monopsony market ()

(iii) duopoly market ()

(j) When products of a few sellers are homogeneous, it is called

(i) duopoly ()

(ii) pure monopoly ()

(iii) pure oligopoly ()

(5)

SECTION—B

(Marks : 15)

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

(a) Law of demand or market equilibrium

(6)

(b) Consumer surplus or budget line

(7)

(c) Expansion path or isocost line

(8)

(d) Price discrimination or administered price

(9)

(e) Monopsony or monopolistic competition

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2016

(CBCS)

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*

1. Comment on *An Inquiry into the Nature and Causes of the Wealth of Nations*. 10

Or

What is price mechanism? Point out the conditions required for price mechanism to play its role effectively. 3+7=10

2. Using Hicksian model, explain the decomposition of price effect into substitution and income effects. 10

Or

What is indifference curve? How does a consumer attain equilibrium under indifference curve analysis? Explain with diagram. 3+7=10

3. State and explain the law of variable proportions. 4+6=10

Or

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

4. Explain how equilibrium is achieved by a firm under perfect competition in a short run. 10

Or

What is a monopoly market? How does a monopolist determine price and output in a short run? 3+7=10

5. What is monopolistic competition? Explain the important characteristics of monopolistic competition. 4+6=10

Or

Explain with diagram, the Cournot's model of duopoly. 10
