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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. "Economics is a study of mankind in the ordinary business of life." Who said this?

(a) P. A. Samuelson ()

(b) J. M. Keynes ()

(c) L. Robbins ()

(d) A. Marshall ()

2. The law of demand states that, other things being equal, if

(a) price falls, demand falls and if price rises, demand also rises ()

(b) price falls, demand rises and if price rises, demand falls ()

(c) income and price rises, demand also rises ()

(d) None of the above ()

- 3.** Increase in income in the case of luxuries will lead to
 (a) less than proportionate change in expenditure ()
 (b) more than proportionate change in expenditure ()
 (c) proportionate change in expenditure ()
 (d) None of the above ()
- 4.** The quantity demanded of a Giffen goods is
 (a) directly related to price ()
 (b) not affected price ()
 (c) inversely related to price ()
 (d) None of the above ()
- 5.** The law of variable proportion examines production function by
 (a) varying all inputs in a given proportion ()
 (b) keeping all inputs fixed ()
 (c) varying one input and keeping the quantity of other inputs fixed ()
 (d) keeping all inputs variable ()
- 6.** A function, $Q = f(K, L)$ refers to
 (a) a short-run production function ()
 (b) a long-run production function ()
 (c) a very long-run production function ()
 (d) None of the above ()
- 7.** One of the conditions of reaching monopoly equilibrium is
 (a) the MC curve must intersect the MR curve from above ()
 (b) the MC curve must intersect the MR curve from below ()
 (c) the MC curve and the MR curve must be parallel ()
 (d) the MC curve and the MR curve must be rising ()
- 8.** Perfect competition is a kind of market in which
 (a) large number of firms supply differentiated product ()
 (b) two firms supply differentiated products ()
 (c) two firms supply homogeneous products ()
 (d) large number of firms supply homogeneous products ()

9. Where there is a single buyer of the product, the market is called
- (a) monopoly ()
 - (b) duopoly ()
 - (c) monopsony ()
 - (d) oligopoly ()
10. A special case of oligopoly with only two sellers is
- (a) monopoly market ()
 - (b) duopoly market ()
 - (c) monopolistic competition ()
 - (d) perfect competition ()

SECTION—B

(Marks : 15)

Write short notes on the following :

3×5=15

1. (a) Price mechanism

OR

- (b) Market equilibrium

2. (a) Consumer's surplus

OR

- (b) Budget line

3. (a) Average and marginal costs

OR

- (b) Isocost line

4. (a) Monopoly

OR

- (b) Controlled and administered prices

5. (a) Duopoly

OR

- (b) Monopolistic competition

(PART : B—DESCRIPTIVE)

(Marks : 50)

The figures in the margin indicate full marks for the questions

1. (a) Briefly discuss the nature and scope of economics. 10

OR

- (b) Critically examine the scarcity definition of economics. 10

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

OR

- (b) Define indifference curve and mention the properties of an indifference curve. 3+7=10

3. (a) What is an isoquant? Explain how producers attain equilibrium with isoquants. 2+8=10

OR

- (b) State and explain the law of returns to scale. 10

4. (a) Discuss the condition of long-run equilibrium under perfect competition. 10

OR

- (b) Define price discrimination. What are the conditions under which price discrimination is possible? 3+7=10

5. (a) Show how a firm can achieve short-run equilibrium under monopolistic competition. 3+7=10

OR

- (b) What is oligopoly? Give a brief explanation of the kinked demand curve. 2+8=10

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