

Subject Code :
Ba/Bc/ECO-H/GE1/DSC

Booklet No. A

192

Date Stamp

Ba/Bc/ECO-H/GE1/DSC

2023

(CBCS)

(1st Semester)

ECONOMICS

Paper Code : ECO-H/GE1/DSC

(Principles of Microeconomics—I)

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 50)

*The figures in the margin indicate full marks
for the questions*

Answer **five** questions, taking **one** from each Unit

UNIT—I

1. Define economics. Discuss the central problems of an economy. 2+8
2. Explain the role of price mechanism in an economic system. 10

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UNIT—II

3. What is the law of demand? Discuss the different methods of measuring price elasticity of demand. 2+8
4. Diagrammatically illustrate the derivation of an individual demand curve. Also state some reasons why a demand curve would usually slope downward to the right. 6+4

UNIT—III

5. Distinguish between cardinal and ordinal concepts of utility. Discuss the ordinal utility approach to the concept of demand. 4+6
6. Explain the revealed preference theory of demand. 10

UNIT—IV

7. What is total cost? Graphically discuss the relationship among total fixed cost, total variable cost and total cost. 2+
8. Explain the nature of revenue curves under perfect and imperfect markets. 1

Subject Code :
Ba/Bc/ECO-H/GE1/DSC

Booklet No. A

132

Date Stamp

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UNIT—V

9. Distinguish between perfect and imperfect competitions. What are the features of a perfect market?

4+6

10. Explain how a perfectly competitive firm obtains equilibrium in the short-run with the help of the marginal cost-marginal revenue approach.

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(CBCS)

(1st Semester)

ECONOMICS

Paper Code : ECO-H/GE1/DSC

(Principles of Microeconomics—I)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

A. Put a Tick (✓) mark against the correct answer in the
brackets provided : 1×10=10

1. Adam Smith advocated

- (a) laissez-faire ()
- (b) division of labour ()
- (c) Both (a) and (b) ()
- (d) None of the above ()

(2)

2. The historical school was based on
- (a) deductive method ()
 - (b) inductive method ()
 - (c) Both (a) and (b) ()
 - (d) None of the above ()
3. The economist who popularized the indifference curve approach is
- (a) Simon Kuznets ()
 - (b) Paul Samuelson ()
 - (c) J. R. Hicks ()
 - (d) Sweezy ()
4. In case of Giffen goods, price effect is
- (a) negative ()
 - (b) positive ()
 - (c) zero ()
 - (d) None of the above ()

(3)

5. Of the following commodities which has the lowest elasticity of demand?

- (a) Car ()
- (b) Salt ()
- (c) Tea ()
- (d) House ()

6. Ordinal measure of utility is required in

- (a) revealed preference ()
- (b) utility ()
- (c) indifference curve ()
- (d) None of the above ()

7. Product homogeneity is a feature of

- (a) monopoly ()
- (b) monopolistic competition ()
- (c) perfect competition ()
- (d) None of the above ()

8. In the short-run, the condition for equilibrium is

- (a) $AR = AC$ ()
- (b) $MR = MC$ ()
- (c) $MR = AR$ ()
- (d) $MC = AC$ ()

9. Marginal cost curve cuts the average cost curve from below at equilibrium at

- (a) the lowest point ()
- (b) the left of the lowest point ()
- (c) the right of the lowest point ()
- (d) All of the above ()

10. Marginal revenue along with marginal cost helps to determine

- (a) profit maximizing output ()
- (b) profit/unit ()
- (c) total cost ()
- (d) total revenue ()

(5)

B. Indicate whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark :

1×5=5

1. Welfare definition of economics is associated with Lionel Robbins.

(T / F)

2. The indifference curves will always intersect with each other.

(T / F)

3. Cost incurred because of a new decision by management is called incremental cost.

(T / F)

4. A monopolist is also known as a price maker.

(T / F)

5. An upward sloping demand curve can be seen in the case of a Giffen good.

(T / F)

(6)

C. Answer/Write short notes on any *five* of the following : 2×5=10

1. Distinguish between inductive and deductive methods.

(7)

2. Elasticity of demand

(8)

3. Consumers' surplus

(9)

4. Indifference curves

(10)

5. Marginal rate of technical substitution (MRTS)

(11)

6. What is sunk cost?

(12)

7. What is implicit cost?

(13)

8. Monopolistic competition

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