

Total No. of Printed Pages—7

1 SEM TDC ECOH (CBCS) C 1

2 0 2 3

(November)

ECONOMICS

(Core)

Paper : C-1

(Introductory Microeconomics)

Full Marks : 80

Pass Marks : 32

Time : 3 hours

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

1. Answer the following as directed : 1×8=8

- (a) The problem of scarcity arises, because
- (i) man has unlimited wants
 - (ii) woman has to choose between alternative wants
 - (iii) resources are limited
 - (iv) resources are limited relative to wants

(Choose the appropriate answer)

- (b) Mention any one use of the price elasticity of demand.
- (c) The quantity demanded of a Giffen good varies _____ with price.
- (i) indirectly
 - (ii) directly
 - (iii) independently
 - (iv) All of the above
- (d) Why does the budget line slope downward?
- (e) What is the shape of the marginal productivity of labour curve?
- (f) A consumer attains equilibrium at

(i) $\frac{MU_X}{MU_Y} > \frac{P_X}{P_Y}$

(ii) $\frac{MU_X}{MU_Y} < \frac{P_X}{P_Y}$

(iii) $\frac{MU_X}{MU_Y} = \frac{P_X}{P_Y}$

- (iv) All of the above

(Choose the appropriate answer)

- (g) Which of the following is not a subject matter of microeconomics?
- (i) Price of a commodity
 - (ii) Price of a factor
 - (iii) Change in the price level of an economy
 - (iv) None of the above
- (Choose the appropriate answer)
- (h) The substitution effect can be measured holding _____ as constant.
- (i) income
 - (ii) utility
 - (iii) the price of goods
 - (iv) All of the above
- (Choose the appropriate answer)

2. Write short notes on any *four* of the following (within 150 words each) : 4×4=16

- (a) Scarcity and choice
- (b) Controls on prices

(4)

- (c) Consumer preferences
- (d) Fixed costs and variable costs
- (e) Labour markets and public policy

Answer the following questions (within 500 words each) :

3. (a) (i) Discuss the rationale for studying economics. 5
- (ii) What is an economic model? Explain the general features of economic models. 2+5=7

Or

- (b) (i) What are the basic problems of an economic system? Discuss how the basic economic problems are solved in free market and mixed economic systems. 3+5=8
- (ii) Explain how property rights help in achieving economic efficiency. 4

24P/219

(Continued)

(5)

4. (a) (i) Explain the meaning of shifts in the demand curve and shifts in the supply curve. Derive the market demand curve from individual demand curves. 3+3=6

- (ii) Discuss how prices allocate resources. 5

Or

- (b) (i) Define elasticity of demand. Explain the different applications of price elasticity of demand and income elasticity of demand. 2+3+3=8

- (ii) Explain why a good with positive price elasticity of demand must violate the law of demand. 3

5. (a) (i) Discuss the concept of budget constraint with the help of an example. 5

- (ii) Explain the properties of an indifference curve. 6

24P/219

(Turn Over)

(6)

Or

(b) Explain consumer's equilibrium condition with the help of indifference curve approach. How will a change in consumer's income affect his equilibrium?
8+3=11

6. (a) (i) Explain with marginal revenue and marginal cost curves, how a firm attains profit maximising output. 5

(ii) Derive the long-run average cost curve from short-run average cost curves. 6

Or

(b) (i) Discuss the concept of imperfect competition with the help of suitable examples. 7

(ii) Write a brief note on the government policies towards competition. 4

(7)

7. (a) (i) What are the determinants of input demand curves? Explain how shift in input demand curve occurs. 3+3=6
(ii) Discuss how rent is determined. 5

Or

(b) Write the meaning of 'distribution of income'. Discuss the marginal productivity theory of distribution. 3+8=11

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