

3 (Sem-1) ECO M 1

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ECONOMICS

(Major)

Paper : 1.1

(Microeconomics—I)

Full Marks : 80

Time : 3 hours

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

1. Choose the correct option / Answer the following : 1×10=10
- (a) The meaning of the word 'economic' is most closely associated with the word
- (i) free
 - (ii) scarce
 - (iii) unlimited
 - (iv) unrestricted
- (b) Mention the basic economic problems.
- (c) If $C = D = 10$ utilities, then it implies
- (i) a cardinal measure of utility
 - (ii) an ordinal measure of utility
 - (iii) an ordinal and a cardinal measure of utility
 - (iv) None of the above
- (d) Mention the consumer's equilibrium conditions.

- (e) The marginal rate of substitution of X for Y in a general shape of an indifference curve
- (i) is positive
 - (ii) is negative
 - (iii) remains constant
 - (iv) None of the above
- (f) When the total product falls, then the average product of labour is
- (i) zero
 - (ii) negative
 - (iii) positive
 - (iv) None of the above
- (g) If the $MRTS_{LK}$ equals 2, then the MP_K/MP_L is
- (i) 2
 - (ii) $\frac{1}{2}$
 - (iii) 1
 - (iv) 4
- (h) What is sunk cost?
- (i) All the following curves are U-shaped, except
- (i) AVC curve
 - (ii) AFC curve
 - (iii) AC curve
 - (iv) MC curve
- (j) Express the elasticity of demand formula in terms of AR and MR:

2. Answer the following : 2×5=10

- (a) Differentiate between comparative statics and comparative dynamics. 2
- (b) What is substitution effect? 2
- (c) Under what conditions is indifference curve of right-angle shape? Mention one example. 1+1
- (d) Why do two isoquants never cross? 2
- (e) Mention the relationship between AR and MR with diagram. 2

3. Answer any four from the following : 5×4=20

- (a) Elaborate the meaning of stable and unstable equilibrium with appropriate diagram. 5
- (b) What is Giffen paradox? Derive the shape of Engel's curve for Giffen goods. 1+4
- (c) Why is indifference curve for general goods convex to the origin? Mention any two limitations of indifference curve. 3+2
- (d) What is the use of elasticity of substitution in economics? Define elasticity of substitution. 2+3
- (e) Differentiate between economies and diseconomies of scale. 5
- (f) Illustrate how profit is maximized using revenue and cost curves. 5

4. Answer any four from the following : $10 \times 4 = 40$

(a) Examine the definition that economic activity consists in the allocation of scarce means to given ends. 10

(b) Derive a consumer's demand curve for a commodity from his price consumption curve. 10

(c) What is consumer's surplus? What is the application of this concept in economics? What are the limitations of consumer's surplus concept? 5+2+3

(d) Discuss the various stages of production with the help of law of variable proportion. 10

(e) Explain the derivation of expansion path. 10

(f) What is production possibility curve? How can it be derived? Illustrate with appropriate diagram. 2+8

(g) State the derivation process of long-run average cost curve and long-run marginal cost curve. 10

(h) Mention some basic market models with their basic characteristics. 10

3 (Sem-1) ECO M 2

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ECONOMICS

(Major)

Paper : 1.2

(Macroeconomics—I)

Full Marks : 80

Time : 3 hours

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

1. Answer the following questions : 1×10=10
- (a) Define MPC.
 - (b) What is the meaning of the term 'production' in economics?
 - (c) What is 'inventory investment'?
 - (d) State the Say's law.
 - (e) What do you mean by the term 'leverage effect'?
 - (f) Give the name of the revolutionary book authored by J. M. Keynes and published in 1936.