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(1st Semester)

ECONOMICS

Paper No. : Eco-101

(Microeconomics—I)

(Old Course)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

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

1. Define 'economic problem'. How does it give rise to basic problems in an economy? 9

Or

What is price elasticity of supply? What are the factors determining price elasticity of supply? Explain percentage method of measuring elasticity of supply. 2+3+4=9

2. Explain the consumer's equilibrium under cardinal utility analysis. 9

Or

Explain Slutsky's theorem of income and substitution effect with the help of a diagram.

3. Explain the law of variable proportions with a suitable diagram. 9

Or

Explain the case of increasing returns to scale with example.

4. Why is the long-run cost curve flatter than the short-run cost curve? Explain with reasons. 9

Or

Discuss the shapes of the cost curves under traditional and modern theory of cost.

5. "Economic welfare is always conceived to be a part of total welfare." Discuss. 9

(3)

Or

Discuss the following criteria of social welfare : $4\frac{1}{2}+4\frac{1}{2}=9$

(a) Growth of GNP

(b) Pareto's criteria of social welfare
