

Subject Code : Ba/Eco-101 (O)

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To be filled in by the Candidate

BA / BSc / BCom / BBA / BCA
1st Semester End Term
Examination, **2020**

Subject

Paper

INSTRUCTIONS TO CANDIDATES

- 1. The Booklet No. of this script should be quoted in the answer script meant for descriptive type questions and vice versa.**
- 2. This paper should be ANSWERED FIRST and submitted within 1 (one) Hour of the commencement of the Examination.**
- 3. While answering the questions of this booklet, any cutting, erasing, overwriting or furnishing more than one answer is prohibited. Any rough work, if required, should be done only on the main Answer Book. Instructions given in each question should be followed for answering that question only.**

Booklet No. A

Date Stamp

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Roll No.

Regn. No.

Subject

Paper

DESCRIPTIVE TYPE

Booklet No. B

*Signature of
Scrutiniser(s)*

*Signature of
Examiner(s)*

*Signature of
Invigilator(s)*

Ba/Eco-101 (O)

2 0 2 0

(1st Semester)

ECONOMICS

Paper No. : Eco-101

(Microeconomics—I)

(Old Course)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

SECTION—I

(Marks : 15)

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

1. In which of the following cases, law of demand fails?

- (a) Giffen goods ()
- (b) Normal goods ()
- (c) Inferior goods ()
- (d) Both Giffen and inferior goods ()

(2)

2. If a consumer's demand for a good moves in the same direction as the consumer's income, the consumer's demand for that good must be inversely related to the price of the good, is called

- (a) law of demand ()
- (b) law of supply ()
- (c) law of substitution ()
- (d) law of optional choice ()

3. What does indifference curve represent?

- (a) Level of income and capital ()
- (b) Satisfaction derived from two goods ()
- (c) Income from two businesses ()
- (d) Relationship between expenditure and savings ()

4. Diamonds are priced higher than water because

- (a) their marginal utility to buyers is higher than that of water ()
- (b) they are sold by selected firms with monopolistic power ()
- (c) consumers do not buy them at lower prices ()
- (d) their total utility to buyers is higher than that of water ()

(3)

5. The law of increasing returns means
- (a) increasing cost ()
 - (b) decreasing cost ()
 - (c) increasing production ()
 - (d) increasing income ()
6. The rate at which the consumer is willing to substitute one good for another without changing the level of satisfaction is known as
- (a) marginal rate of substitution ()
 - (b) marginal rate of technical substitution ()
 - (c) diminishing marginal utility ()
 - (d) equi-marginal utility ()
7. Which one of the following is a fixed cost to a manufacturing firm in the short run?
- (a) Insurance on building ()
 - (b) Overtime payment to workers ()
 - (c) Cost of energy ()
 - (d) Cost of raw material ()

(4)

8. The average variable cost curve is
- (a) U-shaped ()
 - (b) V-shaped ()
 - (c) L-shaped ()
 - (d) X-shaped ()
9. Welfare economics has been defined as “that part of the general body of economic theory, which is concerned primarily with policy” by
- (a) Scitovsky ()
 - (b) Marshall ()
 - (c) Pigou ()
 - (d) Robbins ()
10. The first economist to find out an objective test of social welfare maximum is often called
- (a) Pareto optimality ()
 - (b) Scitovsky criterion ()
 - (c) Kaldor-Hicks criterion ()
 - (d) Pigou’s criterion ()

(5)

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

1×5=5

1. Microeconomics is the study of the economic actions of individuals and small groups of individuals.

(T / F)

2. The word 'utility' denotes the want satisfying power of a commodity or service.

(T / F)

3. The income and substitution effects of the price effect by taking the apparent real income of the consumer is constant.

(T / F)

4. The L-shaped curve shows a rapid fall in the beginning but after a point, "the curve remains flat, or may slope gently downwards at its right-hand end."

(T / F)

5. Value judgements describe facts in an emotive way and tend to influence people by altering their beliefs.

(T / F)

(6)

SECTION—II

(Marks : 10)

C. Write short notes on any *five* of the following : $2 \times 5 = 10$

1. Consumer equilibrium

(7)

2. Elasticity of demand

(8)

3. Cardinal utility

(9)

4. Factor substitution

(10)

5. Concept of cost

(11)

6. Welfare economics

(12)

7. The role of value judgement

(13)

8. Least cost combination
