

**2022**

( Repeaters )

( 1st Semester )

**ECONOMICS**

Paper No. : ECO-101

**( Microeconomics—I )**

*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*

**UNIT—I**

1. Define elasticity of demand. Explain the method of measuring point elasticity. 2+7=9

*Or*

Explain deductive and inductive methods of reasoning giving suitable example.  $4\frac{1}{2}+4\frac{1}{2}=9$

UNIT—II

2. Discuss the concept of consumer surplus with a suitable example. 9

Or

Explain the properties of indifference curves and assess their importances in economic analysis. 9

UNIT—III

3. "The least cost combination of factors is an optimum combination for producers." Explain. 9

Or

Explain the case of constant returns to scale with example. 9

UNIT—IV

4. Define total cost. Explain the relation between average cost and marginal cost curves. 2+7=9

Or

Account for the existence of L-shaped long-run average cost curve. 9

( 3 )

UNIT—V

5. Distinguish between social welfare and individual welfare. Discuss the role of value judgements in welfare economics.  $4+5=9$

*Or*

State Pareto criterion of social welfare. What are the marginal conditions of Pareto optimal situation?  $4\frac{1}{2}+4\frac{1}{2}=9$

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( Repeaters )

( 1st Semester )

**ECONOMICS**

Paper No. : ECO-101

( **Microeconomics—I** )

( 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. The study of individual markets of demand and supply in which the players or the decision makers were also individuals, who were seen as trying to maximize their profit and their personal satisfaction is called

- (a) microeconomics ( )
- (b) macroeconomics ( )
- (c) econometrics ( )
- (d) heterodox economics ( )

2. Movement along the supply curve is known as
- (a) expansion and contraction of supply ( )
  - (b) expansion of supply ( )
  - (c) contraction of supply ( )
  - (d) increase in supply ( )
3. Which one of the following is not a feature of indifference curves?
- (a) They are parallel to each other ( )
  - (b) They slope downwards to the right ( )
  - (c) They do not intersect each other ( )
  - (d) They are concave to each other ( )
4. The Slutskian method of decomposing price effect into income effect and substitution effect is called
- (a) cost difference method ( )
  - (b) compensating variation in income method ( )
  - (c) price-consumption method ( )
  - (d) None of the above ( )

5. The marginal product of a factor input initially rises with its employment level. But after reaching a certain level of employment, it starts falling under
- (a) the law of diminishing marginal product ( )
  - (b) the law of variable proportion ( )
  - (c) the short-run ( )
  - (d) the long-run ( )
6. A functional relationship between quantities of inputs and outputs is known as
- (a) consumption function ( )
  - (b) production function ( )
  - (c) investment function ( )
  - (d) economies of scale ( )
7. The short-run marginal cost curve is
- (a) L-shaped ( )
  - (b) U-shaped ( )
  - (c) V-shaped ( )
  - (d) X-shaped ( )

8. The opportunity cost of a factor of production is
- (a) what it earns in its present use ( )
  - (b) what it can earn in some other use ( )
  - (c) what it can earn in the long period ( )
  - (d) the cost of production ( )
9. The concept of social welfare function was first introduced by
- (a) Kaldor ( )
  - (b) Bergson ( )
  - (c) Scitovsky ( )
  - (d) Pareto ( )
10. Pareto welfare theory avoids
- (a) ordinal measurement ( )
  - (b) cardinal measurement ( )
  - (c) value judgement ( )
  - (d) None of the above ( )



B. Indicate *True (T)* or *False (F)* by putting a Tick (✓)  
mark : 1×5=5

1. Equilibrium denotes in economics absence of change in movement.

( T / F )

2. The generalization of satiable wants is known as the law of diminishing marginal utility.

( T / F )

3. An isoquant is a curve on which the various combinations of labour and capital show the same output.

( T / F )

4. Long-run average cost curve is also called envelop curve.

( T / F )

5. General welfare refers to the satisfaction derived from both economic goods and non-economic goods.

( T / F )



( 6 )

SECTION—II

( Marks : 10 )

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

1. Welfare definition

2. Price elasticity of demand

3. Total utility

4. Least-cost combination

( 10 )

5. Average product

6. Real cost

7. Explicit cost



8. Concept of welfare economics

9. Growth of GNP

10. Engel curve

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