

63/1 (SEM-1) CC1/ECOHC1016

2022

(Held in 2023)

ECONOMICS

Paper : ECOHC1016

(Introductory Microeconomics)

Full Marks : 80

Pass Marks : 32

Time : 3 hours

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

1. Choose the correct answer from the following : 1×6=6

(a) Which of the following is an economic activity?

(i) Teaching of a teacher in the school

(ii) To teach son at home

(iii) To serve her child by mother

(iv) To play football by a student

(b) Under the law of demand

(i) price of a commodity is an independent variable

(ii) quantity demanded is a dependent variable

(iii) reciprocal relationship is found between price and quantity demanded

(iv) All of the above

(c) For inferior commodities, the income effect is

(i) zero

(ii) negative

(iii) infinite

(iv) positive

(d) An inelastic good or service is one in which changes in price witness _____ changes in the quantity demanded or supplied.

(i) a sharp

(ii) no

(iii) only modest

(iv) Any of the above

(e) Which of the following is not a source of production?

(i) Land

(ii) Labour

(iii) Money

(iv) Capital

(f) If all units are sold at same price, how will it affect AR and MR?

(i) $AR > MR$

(ii) $AR = MR$

(iii) $AR + MR = 0$

(iv) $AR < MR$

2. Answer the following questions : $2 \times 5 = 10$

(a) What is independent variable?

(b) State the relationship between total utility and marginal utility.

(c) What is transitivity assumption of indifference curve?

(d) Define explicit cost with an example.

(e) Mention the two conditions of profit maximization.

3. Answer any six of the following questions :

5×6=30

- (a) Distinguish between endogenous and exogenous variables.
- (b) "Scarcity is the mother of all economic problems." Examine the statement.
- (c) State and explain the relationship between total utility and marginal utility.
- (d) State the limitations of indifference curve analysis.
- (e) Discuss in brief the properties of an isoquant.
- (f) Write the concept of production possibility curve with the help of suitable diagram.
- (g) What are the relationships among TR, AR and MR?
- (h) What are the differences between private cost and social cost?
- (i) Write a brief note on producer's equilibrium (the optimal input combination).

4. Answer any *two* of the following questions :

10×2=20

(a) Define economic statics and economic dynamics. What are their differences?

2+8=10

(b) What is demand curve? How would you derive a demand curve with the help of indifference curve?

2+8=10

(c) Define the law of production. Explain the law of variable proportions with the help of suitable diagram.

2+8=10

5. Answer any *one* of the following questions : 14

(a) What is meant by an indifference curve? Explain how one consumer attains equilibrium using indifference curve. Mention the superiority of indifference curve analysis over the Marshallian cardinal utility analysis.

2+10+2=14

(b) Explain the laws of returns of production theory. State the reasons for the operation of the law of diminishing returns. Examine how the law of diminishing returns is applicable to agriculture.

8+2+4=14

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