

2023

(CBCS)

(1st Semester)

ECONOMICS

FIRST PAPER

(Microeconomics—I)

Full Marks : 75

Time : 3 hours

*The figures in the margin indicate full marks for the questions***(SECTION : A—OBJECTIVE)**

(Marks : 10)

Tick (✓) the correct answer in the brackets provided :

1×10=10

1. Who wrote the book entitled *An Inquiry into the Nature and Causes of Wealth of Nations* ?

(a) J. M. Keynes ()

(b) Marshall ()

(c) Robbins ()

(d) Adam Smith ()

2. Microeconomic analysis is concerned with the study of the

(a) general level of prices ()

(b) price level of individual goods ()

(c) level of national income and employment ()

(d) level of total consumption in the economy ()

3. When two commodities are perfect substitutes, the indifference curve is
 - (a) convex to the origin ()
 - (b) downward sloping linear curve ()
 - (c) concave to the origin ()
 - (d) None of the above ()
4. An elasticity of coefficient of 1 means that
 - (a) the demand curve is perfectly inelastic ()
 - (b) the demand curve is perfectly elastic ()
 - (c) the relative changes in price and quantity are equal ()
 - (d) expenditure on goods would increase if prices were reduced ()
5. The production function explains
 - (a) the technical relationship between input and output ()
 - (b) the relationship between initial production and initial consumption ()
 - (c) the initial production and ultimate distribution ()
 - (d) the initial distribution and final consumption ()
6. The marginal rate of technical substitution diminishes
 - (a) if two factors are perfect substitutes ()
 - (b) if two factors are complementary to each other ()
 - (c) as more and more of capital is substituted by additional unit of labour ()
 - (d) as more and more of labour is substituted by additional unit of capital ()
7. The market price of a commodity is generally determined by
 - (a) the size of the market ()
 - (b) the cost of production ()
 - (c) demand and supply ()
 - (d) None of the above ()

8. When a monopolist charges uniform price for its products, it is called
- (a) simple monopoly ()
 - (b) discriminating monopoly ()
 - (c) controlled price ()
 - (d) administered price ()
9. In a/an ____ market, there is only one buyer.
- (a) monopoly ()
 - (b) duopoly ()
 - (c) oligopoly ()
 - (d) monopsony ()
10. Under perfect competition, a firm earns normal profit in the long run due to
- (a) homogeneous product ()
 - (b) free entry and exit of firms ()
 - (c) large number of buyers and sellers ()
 - (d) absence of transport cost ()

(SECTION : B—SHORT ANSWERS)

(Marks : 15)

Write short notes on the following :

3×5=15

UNIT—I

1. Basic economic problems

OR

2. Price mechanism

UNIT—II

3. Budget line

OR

4. Giffen's Paradox

UNIT—III

5. Isoquants

OR

6. Expansion path

UNIT—IV

7. Degrees of price discrimination

OR

8. Characteristics of perfect competition

UNIT—V

9. Monopsony

OR

10. Duopoly

(SECTION : C—DESCRIPTIVE)

(Marks : 50)

Answer the following :

10×5=50

UNIT—I

1. "Economics is on the one side a study of wealth, and on the other and more important side, a part of the study of man." Critically examine the statement.

OR

2. Discuss the meaning, nature and scope of economics.

UNIT—II

3. What do you mean by elasticity of demand? Explain different kinds of elasticity of demand. 3+7=10

OR

4. Explain the decomposition of price effect into substitution and income effect using Hicksian method.

UNIT—III

5. Discuss the law of returns to scale.

OR

6. State and explain the law of variable proportions.

UNIT—IV

7. Explain how an equilibrium is achieved by a firm under perfect competition in the long run.

OR

8. What is meant by price discrimination? Explain the condition under which price discrimination is profitable. 3+7=10

UNIT—V

9. Define oligopoly. What are the characteristics of oligopoly? 2+8=10

OR

10. What is monopolistic competition? How is price determined under monopolistic competition in the short run? 2+8=10

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2023

(CBCS)

(3rd Semester)

ECONOMICS

THIRD PAPER

(Macroeconomics—I)

Full Marks : 75

Time : 3 hours

*The figures in the margin indicate full marks for the questions***(SECTION : A—OBJECTIVE)**

(Marks : 10)

Tick (✓) the correct answer in the brackets provided :

1×10=10

1. Net National Product is sometimes referred to as

- (a) national income at market price ()
- (b) national income at factor price ()
- (c) national income at factor cost ()
- (d) national income at business price ()

2. National income is

- (a) a flow concept ()
- (b) a stock concept ()
- (c) a semiflow concept ()
- (d) Both (a) and (b) ()

3. Keynesian theory of employment assumes

- (a) full-employment equilibrium ()
- (b) under-employment equilibrium ()
- (c) cyclical employment equilibrium ()
- (d) structural unemployment equilibrium ()

4. In the classical theory, the equality between saving and investment is brought about by
- (a) income () (b) supply and demand ()
 (c) rate of interest () (d) consumption ()
5. In the equation $C = a + bY$, b indicates
- (a) average propensity to consume ()
 (b) average propensity to save ()
 (c) marginal propensity to save ()
 (d) marginal propensity to consume ()
6. Marginal propensity to save (MPS) is
- (a) $\Delta C / \Delta Y$ () (b) $\Delta S / \Delta Y$ ()
 (c) C / Y () (d) $1 - C / Y$ ()
7. Induced investment is
- (a) interest elastic () (b) interest inelastic ()
 (c) income inelastic () (d) income elastic ()
8. An investment that is independent of level of income is
- (a) autonomous investment () (b) induced investment ()
 (c) public investment () (d) private investment ()
9. According to the classical theory, the rate of interest is determined by
- (a) investment and saving ()
 (b) demand for and supply of money ()
 (c) income and expenditure of money ()
 (d) saving and transaction of money ()
10. Liquidity trap is a situation where the rate of interest is
- (a) so low that people prefer to hold money ()
 (b) so high that people prefer to spend money ()
 (c) so high that people prefer to hold money ()
 (d) moderate that people prefer to hold money ()

(SECTION : B—SHORT ANSWERS)

(Marks : 15)

Write short notes on the following :

3×5=15

UNIT—I

1. Nominal and real GDP

OR

2. Green accounting

UNIT—II

3. Aggregate supply

OR

4. Aggregate demand

UNIT—III

5. Average propensity to consume (APC)

OR

6. Ratchet effect

UNIT—IV

7. Public and private investment

OR

8. Marginal efficiency of capital (MEC)

UNIT—V

9. Gross interest

OR

10. Meaning of interest

(SECTION : C—DESCRIPTIVE)

(Marks : 50)

Answer the following :

10×5=50

UNIT—I

1. Explain the circular flow of income in a four-sector economy.

OR

2. What are the different methods of measuring national income?

UNIT—II

3. "Supply creates its own demand." Critically examine this statement.

OR

4. Explain the Keynesian theory of effective demand and its impact on employment.

UNIT—III

5. Explain the Keynesian theory of absolute income hypothesis.

OR

6. What is meant by consumption function? Discuss the factors influencing consumption in an economy.

3+7=10

UNIT—IV

7. Explain the concept of investment multiplier. Briefly explain its effectiveness in LDCs.

OR

8. Explain ex-ante saving and investment and prove that actual saving is always equal to actual investment.

6+4=10

UNIT—V

9. Critically discuss the classical theory of interest.

OR

10. Explain Keynes liquidity preference theory of interest.

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