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(NEP—2020)

(1st Semester)

ECONOMICS (MAJOR/MINOR)

(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 among the following economists defines Economics as the 'Science of Wealth'?

- | | | | |
|--------------------|--------|---------------------|--------|
| (a) Adam Smith | () | (b) Alfred Marshall | () |
| (c) Lionel Robbins | () | (d) J. M. Keynes | () |

2. Normative economics is concerned with

- (a) things as they are ()
- (b) things as they ought to be ()
- (c) things as they were ()
- (d) None of the above ()

3. When the demand curve shifts to the left, it is called

- | | | | |
|-------------------------|--------|---------------------------|--------|
| (a) extension of demand | () | (b) contraction of demand | () |
| (c) decrease in demand | () | (d) increase in demand | () |

- 4.** Giffen good is a/an
 (a) inferior good () (b) economic good ()
 (c) superior good () (d) complementary good ()
- 5.** Indifference curve is convex to the origin because of
 (a) no possibility to make any substitution of commodities ()
 (b) constant marginal rate of substitution of commodities ()
 (c) diminishing marginal rate of substitution of commodities ()
 (d) increasing marginal rate of substitution of commodities ()
- 6.** Engel curve shows the relationship between
 (a) income and demand ()
 (b) income and consumption ()
 (c) consumption and price ()
 (d) consumption and demand ()
- 7.** A producer is in equilibrium at a point where
 (a) $MC = AR$ () (b) $AR = AC$ ()
 (c) $AC = MR$ () (d) $MR = MC$ ()
- 8.** Increasing returns to scale implies that
 (a) output increases to a greater proportion than the increase in input ()
 (b) output decreases in a greater proportion compared to the increase in input ()
 (c) output remains proportionately constant ()
 (d) output increases as input decreases ()
- 9.** The cost of one thing in terms of alternative given up is known as
 (a) production cost () (b) physical cost ()
 (c) real cost () (d) opportunity cost ()
- 10.** The utility derived from the additional unit of a commodity consumed is
 (a) total utility () (b) marginal utility ()
 (c) constant utility () (d) decreasing utility ()

(SECTION : B—SHORT ANSWERS)

(Marks : 15)

Write short notes on any *five*, taking at least *one* from each Unit :

3×5=15

UNIT—I

1. Central problem of an economy
2. Difference between microeconomics and macroeconomics

UNIT—II

3. Law of supply
4. Determinants of demand

UNIT—III

5. Budget line
6. Consumer surplus

UNIT—IV

7. Isocost line
8. Expansion path

(SECTION : C—DESCRIPTIVE)

(Marks : 50)

Answer *five* questions, taking at least *one* from each Unit :

10×5=50

UNIT—I

1. Discuss the nature and scope of Economics. 10
2. Define price mechanism and discuss its role in a capitalist economy.

3+7=10

UNIT—II

- 3.** Illustrate with diagram, the shifts in demand and movements along the demand curve. 10
- 4.** Define price elasticity of demand. Discuss the method of measuring price elasticity of demand. 3+7=10

UNIT—III

- 5.** Explain how consumers attain equilibrium by using the principle of equi-marginal utility. 10
- 6.** What is indifference curve? Explain the properties of an indifference curve. 3+7=10

UNIT—IV

- 7.** State and explain the law of variable proportion. 10
- 8.** What do you mean by isoquant? Discuss its properties. 3+7=10

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