

**2024**

**ECONOMICS**

**B.A. First Semester End Examination - 2024**

**PAPER - MI101**

**Introductory Microeconomics**

**Full Marks : 60**

**Time : 3 hours**

*The figures in the right-hand margin indicate marks.*

*Candidates are required to give their answers in their own words as far as practicable.*

*Illustrate the answers wherever necessary.*

**1. Answer any ten questions from the following :  $10 \times 2 = 20$**

- a) Define Utility.
- b) What is normal good?
- c) The value of income elasticity is equal to 1, then what is the nature of the commodity?
- d) What is Engel Curve?
- e) What is Break-Even point?

*(Turn Over)*

( 2 )

- f) What are the central problems of an economy?
- g) Define microeconomics.
- h) Examine whether the following statements indicate positive or normative analysis :
  - (i) Impact on price, production and sales of car when Indian government imposes a tax on import of foreign car.
  - (ii) To increase the consumption of solar energy a subsidy on installation of solar plant should be introduced.
- i) Define indifference curve.
- j) Draw the indifference curve for
  - (i) tea and coffee.
  - (ii) left shoe and right shoe.
- k) Define inferior goods.
- l) What is meant by expansion path?
- m) Define opportunity cost.
- n) Define shutdown point.
- o) What is meant by cross price elasticity of demand?

( 3 )

**Group -B**

**Answer any four questions from the following :      4×5=20**

- 2. Proof that Indifference Curve is negatively sloped.      5
- 3. Explain why there is no supply curve in the monopoly market?
- 4. What are the factors influencing supply of a commodity?
- 5. What is law of demand? Distinguish between change in demand and change in quantity demanded.      2+3
- 6. Describe the properties of an indifference curve.
- 7. Discuss the equilibrium position of a firm under perfectly competitive market when its marginal cost constant.
- 8. Establish the relationship among average total cost, average variable cost and average fixed cost.

**Group - C**

**Answer any two questions from the following :      2×10=20**

- 9. Calculate price elasticity of demand at different points of the straight line demand curve. Classify the demand curves according to the value of price elasticity of demand and draw the demand curves in each cases.      5+5=10

10. Decompose price effect into income effect and substitution effect. Distiguish between compensating variable and equivalent variation in income. 6+4
11. What are the different stages of production? Why does a rational firm always produce at the second state of production? Draw the isoquant curve for a fixed coefficient production function. 5+4+1
12. What is the Supply Curve of a firm? Derive the short run and long run supply curve of a firm under perfectly competitive mark . 10