

1M/ECO-100 Syllabus-2023

2 0 2 4

(December)

FYUP : 1st Semester Examination

MAJOR

ECONOMICS

(Microeconomics—I)

ECO-100

Marks : 75

Time : 3 hours

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

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

UNIT—I

1. (a) Why is the demand curve downward sloping? What are the exceptions of the law of demand?
- (b) Explain, with the help of diagrams, the movement along the demand curve and shift in the demand curve. 8+7=15

2. (a) Elucidate the properties of IC curve.
- (b) Explain the relationship between the slope of the demand curve and the price elasticity of demand. $8+7=15$
3. Discuss the total outlay method and the point method of measuring price elasticity of demand. $8+7=15$

UNIT—II

4. (a) Illustrate and explain the short-run cost curves :
- SAC, SAVC, SAFC and SMC
- Explain the relationship between average cost (AC) and marginal cost (MC) with the help of suitable diagram.
- (b) Show that the long-run average cost curve is an envelope of the short-run average cost curves. $(4+3)+8=15$
5. (a) State the law of supply. With the help of a supply schedule, derive the supply curve.
- (b) Illustrate the relationship between AR and MR under perfect competition and monopoly market. $6+9=15$

6. (a) Define price elasticity of supply. Explain the factors that determine the price elasticity of supply.
- (b) If price of a commodity increases from ₹ 2 to ₹ 3 per unit, its supply rises from 100 to 150 units. Find out its elasticity of supply. 8+7=15

UNIT—III

7. (a) Describe the characteristic features of perfect competition.
- (b) Can a competitive firm earn super-normal profit in the long run? Explain your answer. 8+7=15
8. Describe the characteristics of monopoly market. Explain how price is determined under monopoly market in the long run. 5+10=15
9. Diagrammatically explain how price is determined under monopolistic competition market during the short run and the long run. 15

UNIT—IV

10. Discuss the marginal productivity theory of distribution. What are its limitations? 10+5=15
11. Critically examine Knight's theory of profit. 15
12. Explain the social welfare function. What are its limitations? 10+5=15

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