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(December)

FYUP : 1st Semester Examination

MINOR

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)* What is a market demand curve? How is it derived?

   (b) Distinguish between the shift in the demand curve and the movement along the demand curve. (3+7)+5=10

(*Turn Over*)

2. *(a)* Explain the concepts of perfectly elastic and perfectly inelastic demand.

(b) Explain the factors that determine price elasticity of demand for a commodity.

(c) The price of a commodity falls from ₹6 to ₹4 per unit, the quantity demanded increases from 80 units to 120 units. Find out the price elasticity of demand. 5+5+5=15

3. What is an indifference curve? State and explain the properties of indifference curve.
3+12=15

UNIT—II

4. What is a production function? With the help of isoquants, explain the concept of increasing and decreasing returns to scale.
5+(5+5)=15

5. Explain the derivation of the long-run average cost curve. 15

6. *(a)* Define supply.

(b) How is the law of supply derived diagrammatically?

(c) Why does the supply curve generally slope upward? 3+7+5=15

(Continued)

UNIT—III

7. Describe the short-run and long-run equilibrium of a firm for determination of price and output under monopoly.　　15

8. *(a)* Discuss the features of monopolistic competition.

(b) Discuss short-run equilibrium of a firm under monopolistic competition.　7+8=15

9. Discuss the features of perfect competition. What are the equilibrium conditions for long-run equilibrium of industry under perfect competition?　　10+5=15

UNIT—IV

10. Explain in detail Knight's theory of profit and point out its limitations.　　9+6=15

11. Briefly explain the marginal productivity theory of distribution with its limitations.

　　10+5=15

12. *(a)* What is meant by welfare economics?

(b) Explain the role of value judgements in welfare economics.

(c) What are the problems in measuring welfare?　　3+7+5=15

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