

2020

ECONOMICS (Honours)

Paper : I - A & B

(Microeconomics)

[New Syllabus]

Important Instructions for Multiple Choice Question (MCQ)

- Write Subject Name and Code, Registration number, Session and Roll number in the space provided on the Answer Script.

Example : Such as for Paper III-A (MCQ) and III-B (Descriptive).

Subject Code :

III	A	&	B
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Subject Name :

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- Candidates are required to attempt all questions (MCQ). Below each question, four alternatives are given [i.e. (A), (B), (C), (D)]. Only one of these alternatives is 'CORRECT' answer. The candidate has to write the Correct Alternative [i.e. (A)/(B)/(C)/(D)] against each Question No. in the Answer Script.

Example — If alternative A of 1 is correct, then write :

1. — A

- There is no negative marking for wrong answer.

মাল্টিপল চয়েস প্রশ্নের (MCQ) জন্য জরুরী নির্দেশাবলী

- উত্তরপত্রে নির্দেশিত স্থানে বিষয়ের (Subject) নাম এবং কোড, রেজিস্ট্রেশন নম্বর, সেশন এবং রোল নম্বর লিখতে হবে।

উদাহরণ — যেমন Paper III-A (MCQ) এবং III-B (Descriptive)।

Subject Code :

III	A	&	B
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Subject Name :

- পরীক্ষার্থীদের সবগুলি প্রশ্নের (MCQ) উত্তর দিতে হবে। প্রতিটি প্রশ্নে চারটি করে সম্ভাব্য উত্তর, যথাক্রমে (A), (B), (C) এবং (D) করে দেওয়া আছে। পরীক্ষার্থীকে তার উত্তরের স্বপক্ষে (A)/(B)/(C)/(D) সঠিক বিকল্পটিকে প্রশ্ন নম্বর উল্লেখসহ উত্তরপত্রে লিখতে হবে।

উদাহরণ — যদি 1 নম্বর প্রশ্নের সঠিক উত্তর A হয় তবে লিখতে হবে :

1. – A

- ভুল উত্তরের জন্য কোন নেগেটিভ মার্কিং নেই।

Paper Code : I - A

Full Marks : 20

Time : Thirty Minutes

Choose the correct answer.

Each question carries 2 marks.

1. The vertical demand curve of the commodity shows that its demand is —
 - (A) Highly inelastic
 - (B) Perfectly inelastic
 - (C) Fairly inelastic
 - (D) Moderately inelastic

2. Total utility is maximum when —
 - (A) Marginal utility is zero
 - (B) Average utility is the highest
 - (C) Marginal utility is the highest
 - (D) Marginal utility is equal to the average utility

3. Indifference curve is downward sloping from left to right since more x and less y give —
 - (A) Less satisfaction
 - (B) More satisfaction
 - (C) Equal satisfaction
 - (D) Maximum satisfaction

4. Under the law of variable proportion, stage-I is known as —
 - (A) Stage of diminishing returns
 - (B) Stage of negative returns
 - (C) Stage of constant returns
 - (D) Stage of increasing returns

5. In Cobb-Douglas production function $Q = AL^a K^{1-a}$, the share of labour in total production is —
- (A) a
 - (B) A
 - (C) $1 - a$
 - (D) $a.L$
6. A monopolistic firm has a position of $ATC=P$, in the —
- (A) Short run
 - (B) Long run
 - (C) Long run equilibrium
 - (D) Any period of time
7. Average revenue curve should be kinked in —
- (A) Perfect Competition
 - (B) Monopoly
 - (C) Oligopoly
 - (D) Monopolistic competition
8. If the total consumer expenditure on a good falls as its price falls, this indicates that —
- (A) $E_p < 1$
 - (B) $E_p > 1$
 - (C) $E_p = 1$
 - (D) $E_p = \infty$

9. Demand function homogeneous of degree zero means —
- (A) If price of the commodity and income of the consumer increases by the same proportion, quantity demand will increase
 - (B) If price of the commodity and income of the consumer increases by the same proportion, quantity demand will decrease
 - (C) If price of the commodity and income of the consumer increases by the same proportion, quantity demand will be the same
 - (D) None of the above
10. Consumer surplus is the highest in case of —
- (A) Necessities
 - (B) Comforts
 - (C) Luxuries
 - (D) Substitutes
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ECONOMICS (Honours)

Paper : I - B

(Microeconomics)

[New Syllabus]

Full Marks : 80

Time : Three Hours Thirty Minutes

The figures in the margin indicate full marks.

Group - A

Answer any *four* questions : 10×4=40

1. (a) Show that the price elasticity of the demand varies from point to point on the same demand curve, from a lowest zero to highest infinity.
(b) Prove that sum of income elasticity weighted by the total expenditure proportion is unity. 6+4
2. Define the price consumption and the income consumption curves. Derive Price Consumption Curve from Consumer's equilibrium. 3+7
3. Define the revealed preference theory along with the strong and the weak axioms of revealed preference theory. 10
4. Which of the three stages of production the produces like to operate and why? Explain it. 6+4
5. Given $TC = 2 + 3Q - 1.5Q^2 + 0.5Q^3$, show that MC attains it minimum at $Q = 1$, AVC at $Q = 1.5$ and AC at $Q = 2$. 4+3+3
6. What is meant by price rigidity? What would happen to the price rigidity if the marginal cost curve of a firm fails to pass through the gap of the discontinuity in the marginal revenue curve? 5+5

7. Define VMP and MRP and Distinguish between VMP and MRP of a factor. 10
8. Define Expansion Path. Prove that in case of Cobb-Douglas production function expansion path is a straight passing through the origin. 10

Group - B

Answer any *two* questions. 20×2=40

9. Derive the Sluesky equation and interpret. 15+5
10. Derive Cournot Model of duopoly. 20
11. A monopoly faces a linear demand curve $P = 100 - 0.01Q$, the firm's total cost function is $C = 30,000 + 50Q$. Determine profit maximizing price and output, magnitude of profit earned and monopoly power. 10+4+6
12. What is bilateral monopoly? Is it true that equilibrium is indeterminate in a bilateral monopoly? Why? 4+10
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