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3 SEM TDC ECOH (CBCS) C 5

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(Nov/Dec)

ECONOMICS

(Core)

Paper : C-5

(Essentials of Microeconomics)

Full Marks : 80

Pass Marks : 32

Time : 3 hours

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

1. Answer the following as directed : 1×8=8

(a) The cardinal utility is propounded by

_____.

(Fill in the blank)

(b) In case of Giffen's good, the income effect is stronger than substitution effect.

(Write True or False)

(c) Write one property of expenditure function.

(2)

(d) Revealed preference theory is propounded by

(i) Paul Samuelson

(ii) A. Marshall

(iii) J. R. Hicks

(Choose the correct option)

(e) In the two-input case, if the product isoquants are L-shaped, the inputs are

(i) perfect substitute for each other

(ii) perfect complementary to each other

(iii) independent of each other

(Choose the correct option)

(f) Write one limitation of Cobb-Douglas production function.

(g) Write one example of implicit cost.

(h) Write one difference between pure competition and perfect competition.

2. Write short notes on any four of the following

(within 150 words each) :

4×4=16

(a) Assumptions of indifference curve

(b) Revealed preference theory

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(Continued)

(3)

(c) Expansion path

(d) Determinants of cost functions

(e) Profit maximization rule

Answer the following questions (**within 500 words** each) :

3. (a) Explain the indirect utility functions. What are the differences between direct and indirect utility functions? 6+6=12

Or

(b) Compare and contrast utility maximization and expenditure minimization. Explain the properties of expenditure function. (3+3)+6=12

4. (a) Write the meaning and differences between compensated and ordinary demand curves. Explain Slutsky's equation. 5+6=11

Or

(b) Explain the theory of inter-temporal choice. 11

5. (a) Briefly explain : 6+5=11

(i) Marginal rate of technical substitution

(ii) Elasticity of substitution

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(Turn Over)

(4)

Or

- (b) What do you mean by linear production function? Explain the properties of Cobb-Douglas production function.

2+9=11

6. (a) Illustrate how long-run average cost curve is derived from a set of short-run average cost curves. Discuss how economies and diseconomies of scale determine the shape of the LAC curve.

6+5=11

Or

- (b) (i) Describe the properties of cost function.

6

- (ii) Explain why a firm's unit cost to produce a product declines as the variety of its product increases.

5

7. (a) Discuss how equilibrium is attained by a firm under perfect competition in the short run and in the long run with diagrams.

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Or

- (b) (i) Define profit function. What are its properties?

2+4=6

- (ii) Write on the short-run supply curve of a firm under perfect competition.

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