REV-01
BEC/02/05

2025/12

SET A

BA ECONOMICS
FIRST SEMESTER [REPEAT]
INTRODUCTORY MICROECONOMICS
BEC – 101
[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs. **Full Marks: 70**

Objective

Time: 30 mins. **Marks: 20**

Choose the correct answer from the following: ***1×20=20***

1. In which firm does a single seller control the market?
   a. Perfect competition
   b. Monopoly
   c. Monopolistic competition
   d. Oligopoly

2. In which market form firms rely heavily on advertisement and branding?
   a. Monopolistic competition
   b. Monopoly
   c. Perfect competition
   d. Oligopoly

3. Which market form is characterized by homogeneous products?
   a. Monopolistic competition
   b. Perfect competition
   c. Monopoly
   d. Oligopoly

4. Which of the following is one of the key characteristics of perfect competition?
   a. Few sellers in the market
   b. Differentiated products
   c. Freedom of entry and exit
   d. Imperfect knowledge among buyers and sellers

5. In which market form, firm is a price taker?
   a. Monopoly `
   b. Oligopoly
   c. Monopolistic competition
   d. Perfect competition

6. Which of the following are the main factors of production?
   a. Land, labour and capital
   b. Money, machinery and materials
   c. Profits, revenue and cost
   d. Wages, rent and interest

7. Why the demand for inputs is called derived demand?
   a. It does not depend on any product
   b. It depends on demand for final product
   c. It is unrelated to consumer demand
   d. Firms need only a fixed amount of inputs

8. What does the marginal productivity of labour measure?
   a. Total output by all workers
   b. Extra output from one more worker
   c. Cost of one worker
   d. Total wages to all workers

9. What does diminishing return mean for inputs?
   a. Total output increases
   b. Total output goes down
   c. Input cost goes down
   d. More input adds less output

10. When are two inputs considered substitutes?
   a. When they have same cost
   b. When they are for different jobs
   c. When they are used in place of one another
   d. When both are used together

11. Microeconomics is the study of.....
   a. National economy
   b. Individual units
   c. Government policies
   d. International trade

12. Price elasticity refers to.....
   a. Total goods produced
   b. Respond of demand to price
   c. Cost of extra unit
   d. Effect of taxes

13. The law of demand states that.....
   a. Price and demand rise together
   b. Price and demand move oppositely
   c. Demand creates supply
   d. Price doesn't effect demand

14. A shift in the demand curve to the right implies.....
   a. An increase in quantity demanded
   b. A decrease in quantity demanded
   c. An increase in demand
   d. A decrease in demand

15. Indifference curves are usually.....
   a. Downward sloping
   b. Upward sloping
   c. Horizontal
   d. vertical

16. Which of the following factors doesn't cause a shift in the demand curve?
   a. Change in consumer income
   b. Change in price of the good itself
   c. Change in population size
   d. Change in consumer preferences

17. Indifference curves show
   a. Different prices
   b. Equal satisfaction levels
   c. Income levels
   d. Production levels

18. According to the consumption function, as income increases, consumption
   a. Decreases
   b. Remains the same
   c. Increases
   d. Fluctuates

19. The slope of the consumption function represents.....
   a. Marginal Propensity to Consume (MPC)
   b. Average Propensity to Consume (APC)
   c. Total consumption
   d. Disposable income

20. Market demand is defined as.....

a. Demand by one consumer
b. Sum of all individual demand curves
c. Quantity at a specific price
d. International demand

-- --- --

Descriptive

Time : 2 Hr. 30 Mins. **Marks : 50**

[Answer question no.1 & any four (4) from the rest]

1. Define Microeconomics. Explain the scope of Microeconomics. 5+5=10

2. Define a perfectly competitive market. Illustrate the short run-equilibrium of a firm operating under perfect competition. 5+5=10

3. Define a monopoly market structure and examine its characteristics. 3+7=10

4. Explain the concepts of Marginal Product of Labour (MPL) and Marginal Revenue Product of Labour (MRPL).Use a table to illustrate how changes in labour input affect MPL and MRPL. 3+7=10

5. Define input markets and describe their characteristics. 3+7=10

6. Define the law of demand. Illustrate demand with suitable diagram. 2+8=10

7. Define market demand with suitable diagrams. 10

8. Explain the characteristics of monopolistic competition. 10

= = *** = =