B.COM
SEMESTER-1ST
MICRO ECONOMICS
BCM-105

Duration: 3 Hrs.

Marks: 70

Part : A (Objective)   = 20
Part : B (Descriptive) = 50

[PART-B : Descriptive]

Duration: 2 Hrs. 40 Mins.

Marks: 50

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

1.	Discuss the nature of change in output due to change in only one variable factor of production?	10
2.	Discuss price elasticity of demand and its types? Explain the degrees of price elasticity of demand with diagram showing the different shapes of the corresponding demand curves.	3+7=10
3.	What is long run marginal cost curve? Explain the nature of average cost curves of various short run plants of a firm in the long run.	2+8=10
4.	Graphically discuss the long run analysis of production-explaining the returns to scale with two variable inputs.	10
5.	Explain equilibrium and its types. Discuss the basic economic problems.	5+5=10
6.	Define Indifference Curve and its properties. Explain consumer's equilibrium with the help of Indifference curve.	3+7=10
7.	Define consumer's surplus. Discuss price effects and its types with the help of diagram.	4+6=10
8.	Discuss the cost and revenue concepts. Distinguish between marginal rate of substitution (MRS) and marginal rate of technical substitution (MRTS).	7+3=10

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[PART-A : Objective]

I.Choose the correct answer from the following :　　　　　　1X20=20

1. In indifference curve analysis area between two axes is known as-
   a. Indifference Plane
   b. Indifference map
   c. Indifference area
   d. Both (a) and (b)

2. Iso-utility curve is the another name given to-
   a. Iso-quant curve
   b. Indifference curve
   c. Iso-cost line
   d. Budget line

3. _____ acts as a constraint on utility maximization of a consumer.
   a. Iso-cost line
   b. Marginal Rate of Substitution
   c. Price line
   d. None

4. Income effect is the result of change in consumer's-
   a. Real income
   b. Purchasing power
   c. Money income
   d. Both (a) and (b)

5. When price elasticity of demand (e_p) is relatively elastic, its value is-
   a. $e_{p=0}$
   b. $e_{p=1}$
   c. $e_{p>1}$
   d. $e_{p<1}$

6. Which one of the following is having negative cross elasticity of demand
   a. Wheat and rice
   b. Blackboard and chalk
   c. Tea and coffee
   d. Shawl and sweater

7. The shape of the demand curve of Giffen good is-
   a. Downward sloping
   b. Upward sloping
   c. Horizontal straight line
   d. Rectangular hyperbola

8. When marginal revenue curve lies below the average revenue curve, the average revenue curve will be-
   a. Increasing
   b. Falling
   c. Constant
   d. Equal to zero

9. Long run average cost curve is also known as-
   a. Envelope curve
   b. Planning curve
   c. Both (a) and (b)
   d. None

10. Diseconomies of scale occurs due to-
    a. Decreasing returns to scale
    b. Constant returns to scale
    c. Increasing returns to scale
    d. None

11. The change in product expenses at different output levels are depicted by-
    a. Production function
    b. Consumption function
    c. Utility function
    d. Cost function

12. Rectangular hyperbola is the shape of-
    a. Average variable cost
    b. Average total cost
    c. Marginal cost
    d. Average fixed cost

13. Internal economies of scale is also called as
    a. Nominal economies
    b. Real economies
    c. Large scale economies
    d. None

14. Law of variable proportion is an analysis of-
    a. Long run period
    b. Short run period
    c. Very short run period
    d. None

15. Iso quant curve approach is used for-
    a. Two variable inputs
    b. Two fixed inputs
    c. One variable and one fixed input
    d. More than two inputs

16. _____ shows the change in consumption due to change in price of the commodity
    a. Income consumption curve
    b. The Engel curve
    c. Price consumption curve
    d. Indifference curve

17. When the value of marginal product is zero, the total product is _____
    a. Maximum
    b. Minimum
    c. Negative
    d. Decreases

18. The shape of Engel curve in case of inferior good is-
    a. Convex to the origin
    b. Concave to the origin
    c. Upward sloping curve
    d. L-shaped curve

19. Name the Iso quant where substitution between two goods are not possible
    a. Kinked curve
    b. Downward sloping curve
    c. Upward sloping curve
    d. L-shaped curve

20. Marginal cost curve cuts the average variable cost at its-
    a. Maximum point
    b. Increasing part
    c. Minimum point
    d. Decreasing part

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Course : _____

Semester : _____ Roll No : _____

Enrollment No : _____ Course code : _____

Course Title : _____

Session : _____ 2017-18 _____ Date : _____

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Full Marks	Marks Obtained
20	

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Scrutinizer's Signature   Examiner's Signature   Invigilator's Signature