

**MA ECONOMICS**  
**First Semester**  
**MICRO ECONOMIC ANALYSIS-I**  
**(MEC - 101)**

**Duration: 3Hrs.**

**Full Marks: 70**

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

**(PART-B: Descriptive)**

**Duration: 2 hrs. 40 mins.**

**Marks: 50**

**Answer any four from Question no. 2 to 8**  
**Question no. 1 is compulsory.**

1. Define Micro Economics. Discuss the importance of Micro Economics. Give two limitations of Micro Economics. (2+6+2=10)
2. Define Economics. Discuss the basic problems of Economics. (2+8=10)
3. Define Utility. What is Cardinal Utility? Explain the law of Diminishing Marginal Utility. (2+2+6=10)
4. Define Price Line. Explain Consumer's Equilibrium with the help of Indifference Curve and Price Line. (2+8=10)
5. What is demand in Economics? What is Demand Function? Distinguish between a movement along the same demand curve and a shift in the Demand curve. (2+2+6=10)
6. What is elasticity of Demand? How can Income Elasticity of Demand be measured? Mention two operational significance of the concept of elasticity of demand. (2+6+2=10)
7. Explain average cost and marginal cost. Explain why the average cost curve is U-shaped. (4+6=10)



8. Write short notes on: (*any two*)

(5+5=10)

(i) Law of variable proportion.

(ii) Income effect.

(iii) Consumer surplus.

(iv) Revealed preference theory of demand.

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**Duration: 20 minutes**

**Marks – 20**

**(PART A - Objective Type)**

**I. Choose the correct answer:**

**1×10=10**

- i) Lionel Robbins' definition is..... based.  
(a) Welfare (b) Wealth (c) Scarcity (d) Income
- ii) The book authored by Adam Smith, "An enquiry into the Nature and causes of Wealth of Nations" was Published in.....  
(a) 1876 (b) 1776 (c) 1932 (d) 1890
- iii) Author of the book "Principles of Economics" was.....  
(a) Adam Smith (b) Alfred Marshall  
(c) Paul A. Samuelson (d) Lionell Robbins
- iv) The book "Value and Capital" was written by.....  
(a) Adam Smith (b) Alfred Marshall  
(c) J.R. Hicks (d) J.M. Keyens
- v) Giffen paradox is concerned with the demand for..... goods.  
(a) Inferior (b) Superior  
(c) Complementary (d) Normal
- vi) The Cardinalist school suggested the measurement of utility in..... units, called utils.  
(a) Objective (b) Subjective  
(c) None (d) Both of the above
- vii) In case of substitute cross elasticity of Demand is.....  
(a) High (b) Low (c) Zero (d) Infinite
- viii) In case of Giffen goods, when the price falls.....  
(a) Demand does not change (b) Demand falls  
(c) Demand rises (d) Demand changes abnormally
- ix) .....is the underlying force of Demand.  
(a) Money (b) Cost  
(c) Utility (d) Consumption
- x) Demand curve is related to.....  
(a) Marginal Utility curve (b) Marginal Revenue curve  
(c) Both (d) None



**II. Fill in the blanks:**

**1×5=5**

- i) Indifference..... can be defined as a series of Indifference curves representing different levels of satisfaction.
- ii) Revealed Preference theory was propounded by.....
- iii) Price opportunity line is the other name of .....
- iv) Indifference curve is always.....to the origin.
- v) Fixed cost is also known as..... cost.

**III. Tick true or false:**

**1×5=5**

- i) Inductive Method proceeds from particular to general. T/F
- ii) Economics Dynamics attaches importance to the element of Time. T/F
- iii) The cause and effect relationship between two or more variables is known as a function. T/F
- iv) In case of perfect complements, an Indifference curve may be of the form of a right angle. T/F
- v) Revealed Preference Theory is based on weak ordering. T/F

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