



বিদ্যাসাগর বিশ্ববিদ্যালয়

**VIDYASAGAR UNIVERSITY**

**B.Sc. Honours Examination 2021**

**(CBCS)**

**1st Semester**

**ECONOMICS**

**PAPER—C1T**

**INTRODUCTORY MICROECONOMICS**

*Full Marks : 60*

*Time : 3 Hours*

*The figures in the right-hand margin indicate full marks.*

*Candidates are required to give their answers in their own words as far as practicable.*

**THEORY : C1T**

Answer any four questions.

4×12

1. What do you mean by 'Change in quantity demanded' and 'Change in demand'? Derive the point elasticity of demand at a particular point on a linear demand curve. 3+3+6

2. Given utility function  $U = q_1q_2$  and the budget constraint  $Y = p_1q_1 + p_2q_2$ , find the demand functions of the two commodities. Show that the demand functions are homogeneous of degree zero. Also derive the compensated demand functions for the two commodities. 4+4+4
3. Write the characteristics of Indifference curve. Explain the consumer's equilibrium using the indifference curve and the budget line. 4+8
4. Given the short run production function  $q = f(x_1, \bar{x}_2)$  derive the average and marginal product functions. Define an isoquant and derive its slope. Explain why isoquants are assumed to be convex to the origin. 4+4+4
5. Explain why the short run average cost curve is normally U-shaped? Derive and explain relationship between short run average cost curve and marginal cost curve. 6+6
6. Explain the short run equilibrium of a firm under perfectly competitive market. 12
7. What do you mean by consumer's surplus and producer's surplus? Graphically explain the efficiency of a competitive market using the consumer surplus and producers surplus. 3+3+6
8. Discuss the modern theory of determination of rent. 12
- Answer any six questions. 6×2
9. Distinguish between positive and normative economics.
10. Distinguish between Cardinal and Ordinal utility.
11. What is an indifference map?
12. What do you understand by the expansion path of a firm?

**13.** What is Giffen good?

**14.** State the law of diminishing marginal utility.

**15.** How will you derive the long run average cost curve of a firm?

**16.** What is production possibility curve?

**17.** What is marginal revenue product?

**18.** Write two characteristics of perfect competition.

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