Odd Semester, 2020

(Held in March, 2021)

ECONOMICS

(Elective/Honours)

(Microeconomics)

Marks : 75

Time : 3 hours

The figures in the margin indicate full marks for the questions

Answer **five** questions, taking at least **one** from each Unit

UNIT—I

1. Define price elasticity of demand. Explain the measurement of price elasticity of demand with the help of the point method.
   3+12=15

2. What is consumer's equilibrium? Critically examine how a consumer attains equilibrium according to the equimarginal utility analysis.
   3+12=15

UNIT—II

3. State and explain the law of variable proportions. What are the assumptions of the law?
   12+3=15

4. Explain the relationship between average cost and marginal cost. Discuss the concepts of average revenue and marginal revenue under different market conditions.
   5+10=15

UNIT—III

5. What are the assumptions of perfect competition? How is price and output determined under perfect competition in the short run?
   5+10=15

6. Define monopolistic competition. Show how price is determined under monopolistic competition.
   3+12=15

UNIT—IV

7. Distinguish between money wage and real wage. Critically discuss the marginal productivity theory of wages.
   3+12=15

8. Critically discuss the Bergson social welfare function.
   15

★ ★ ★