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Market Section 1995

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... d... Explain the povenied preference theory.

(3rd Semester)

effect which the help of Hickorian approach.

ECONOMICS

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Paper Code: EC3. M3

(Intermediate Microeconomics—I)

Full Marks: 75 Pass Marks: 40%

Time: 3 hours

(PART : B—DESCRIPTIVE)

(*Marks*: 50)

The figures in the margin indicate full marks for the questions

Answer five questions, taking one from each Unit

UNIT I TO THE TENT OF THE PARTY OF THE PARTY

- 1. Explain with the help of a diagram, the concept of consumer's equilibrium in the case of two goods.
- 2. Explain in detail the lump sum principle with the help of a diagram.

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the properties of averaged that

(Turn Over)

10

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UNIT-II

- 3. Explain the income effect and substitution effect with the help of Hicksian approach. 10
- 4. Explain the revealed preference theory. 10

UNIT—III

- 5. Explain the concept of marginal rate of technical substitution (MRTS). Briefly explain any two uses.

 8+2=10
- 6. Explain the law of variable proportions.

 Briefly explain the stage of operation. 6+4=10

UNIT-IV

- 7. Why is long-run cost curve U-shaped?
 Explain.
- 8. Analyse the difference between real and pecuniary economies of scale.

UNIT-V

- 9. What is labour market? Explain the types of labour market. 2+8=10
- 10. Explain the marginal productivity of labours. 10

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2. The slope of indifference curve is equal to (POUYT)
(a) is the sea (3rd Semester) one (a)
(b) is the total level of salisfaction
((Minor)) the language (c) (a) Anti-cases at a dumination grants (b) Paper Code: EC3.M3
(Intermediate Microeconomics—I)
3. For Giffen (PART : A COBJECTIVE) 1011 O To E
noitutitedus ed a (Marks: 25.) a evitition
The figures in the margin indicate full marks for the questions
noituried in Section III noiturion
(c) zero (Marks: 15)
A. Put a Tick (/) mark against the correct answer in the brackets provided: 1×15=15
1. Which of the following is true about total utility and marginal utility?
(a) Total utility decreases as more of a good is consumed ()
(b) Marginal utility is always constant as consumption increases ()
(c) Total utility increases at a decreasing rate as more of a good is consumed ()
(d) Marginal utility increases as more of a good is consumed the (de s) is to show the

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2. The slope of indifference curve is equal to
(a) one ((3rd Sem(ster))
(b) marginal rate of substitution ()
(c) marginal utility ())
Paper Code: EC3 M3 oras (b)
(Intermediate Microsconomics—1) 3. For Giffen goods, the income effect is
3. For Giffen goods, the income effect is
(a) positive and outweighs the substitution
e figures in the mangin indict(e full marktostle questions
(b) negative and outweighs the substitution effect ((a.))
effect ()
(d) equal to the substitution effect ()
4. The law of demand must fail in case of
(b) Marginal (utal) by is aboogs lamronat (a) as constantion in orders as
(b) inferior goods
(c) Giffen goods ()
(d) None of the above balling at

5.	Tota	8. Increasing standard scale deemytilitul
n as	(a)	is the sum total of marginal utilities (r()
	(b)	is the total level of satisfaction ()
rger in	(c) ¹	increases at a diminishing rate ()
		All of the above ()() stugni
v 6:	The	price elasticity of demand can range between
		Holifordi Childing Holiford Childing
	(a)	zero and infinity of (but) a Waging hasing factors of production ()
are		negative one and one bon (ugu) qia(b) and
	(c)	ingreased (and one and one one)
	(d)	negative infinity and infinity (MA) (MA)
o.7:	In tl	he long run, the expansion path shows
	(a)	the combinations of inputs that minimise
oil	oput	cost for a given level of output, (()
	(b)	the optimal combination of inputs for
oniu	rec	run-prod (dil) the combinations of outputs that
	1300	the cost of production for fixed inputs ()
bns	(d)	the maximum output that can be achieved
	141	with a given set of inputs ()

8. Increasing returns to scale occur when later d
(a) output increases by the same proportion as the increase in inputs
(b) output increases by a proportionally larger amount than the increase in inputs () () syods out to IIA (b)
(c) output increases by a supproportionally smaller amount than the increase in inputs () yimin bus one (c)
(d) output decreases as as inputs are increased () one but ones (5)
9.(An isoquant represents vicinity and the make and trion trion the ma
(a) the combinations of inputs that yield the same level of total cost ()
(b) the combinations of inputs that produce the same level of output () and (d)
(c) the combinations of outputs that require the same amount of input, (,,,)
(d) the relationship between input prices and output levels (12)

Day 5 - 1 - 15/2/ 1946

10. A neg	gatively sloped isoquant implies and all .81		
(a)	products with negative marginal utilities ()		
(b)	products with positive marginal utilities		
	inputs with negative marginal utilities ()		
(d)	lanigram of the above (d) None of the above structure appropriate special language production and the formula for marginal revenue production and the formula for marginal rev		
11. In traditional cost theory, cost is defined as:			
	the total amount spent on purchasing factors of production ()		
	the total expenditure on both fixed and variable inputs used in production (AA) AM = AMM (A)		
A Company of the Comp	the amount of money paid for raw materials only ()		
	the cost of production divided by the number of units produced ()		
12. Oppo	ortunity cost is defined as a sugare (b)		
(a) 1	the amount of money spent on production		
((b) increase the lab (ur dapply studing		
(b) to the content of	the cost associated with long-run investments of votation with long-run		
	the cost of an input measured by the value		
in the	of the next best alternative use (b)		
(d) t	the fixed cost of production wodal()		

13. In case of normal goods, demand curve shows
lanigram a negative slope (a) a negative slope (b)
lenig(b) produce of lenig(
Laning (c) zero slope (ca) inv more studing (c) argur
regres (c) inputs the vitil (c) negative marginal (d) none of the above (d) inputs with positive marginal (d) inputs with positive marginal
14. The formula for marginal revenue product (MRP) is a bandah si teop yand the length of the land. 11
(a) the total amount area of the (a) all (a) a
bas (b) x MRP = MP × MR magx (* Isi) y add (d) ni.
elsis (d) TMRP = TC/Q Vocacin to force and (a) vice
15. The purpose of a minimum wage policy is to
(a) ensure that all workers earn a wage above the poverty line ()
(b) increase the labour supply
(c) allow firms to pay wages below the market equilibrium
(d) reduce government intervention in the labour market (100)

2. Inter-temporal qinonoras

(Marks: 10)

B. Write short notes on any five of the following: 2×5=10

1. Axioms of rational choice

3. Indifference curve

- 2. Inter-temporal choice paga and carve shows.
 - (Marks : 10) system of the
- B. Write short notes on any fine of the followings: 2×5=10

 1. Axioms of rational choice square of the colors of the choice square of the colors of the colo
 - (G) None of the above
 - The formula for marginal revenue product (MRP)
 - (a) MRP TRITP
 - to the MRP + MIN MR
 - 3. Indifference curve
 - (d) BARP # DC/Q'
 - 15. The purpose of a minimum wage policy in to
 - , for ensure that all workers carn a wage above the powerty line ! .
 - "(b) inchesse the fall-har supply
 - (c) albow firmed to may tragge below the enaction
 - PI reduce gravious and latercarities in the

((9.)

P. See of Lose maion 6. Economics of scale quant map 4.

7. Marginal revenue product

5. Returns to scale

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(10)

6. Economies of scale

4. Isoquant map

7. Marginal revenue product

5 Returns to scale

8. Role of trade union
