FYUG Odd Semester Exam., 2025

ECONOMICS

(1st Semester)

Course No. : ECODSC–101T

(Introductory Microeconomics)

Full Marks : 70
Pass Marks : 28

Time : 3 hours

The figures in the margin indicate full marks for the questions

UNIT—I

1. Answer any *two* of the following questions : 2×2=4

(a) Point out the major difference between microeconomics and macroeconomics.

(b) What does the upward shift of production possibility frontier imply?

(c) "The scarcity of resources gives birth to economic problem." What is your view on this statement?

2. Answer any *one* of the following questions :

(a) (i) Discuss the nature and scope of microeconomics.

(ii) "Economics is both positive and normative science." Do you agree? Explain.

(b) (i) "The importance of the study of economics is growing rapidly in present-day world." Why? Explain your viewpoint.

(ii) Discuss the central problems faced by an economy.

UNIT—II

3. Answer any *two* of the following questions : 2×2

(a) Can the demand curve slope upward? Explain.

(b) "All Giffen goods are inferior goods." Is it true? Write the reason.

(c) Define income elasticity of demand.

4. Answer any *one* of the following questions : 10

(a) (i) Distinguish between movement along a demand curve and shift in demand curve. 3

(ii) Discuss the law of demand along with its exceptions. 5+2=7

(b) (i) Discuss the concept of market equilibrium with a suitable diagram. 4

(ii) Is market equilibrium a stable equilibrium? Explain. 2

(iii) Write a note on the measurement of price elasticity of demand. 4

UNIT—III

5. Answer any *two* of the following questions :

(a) State the law of diminishing marginal utility.

(b) Point out the difference between cardinal and ordinal measures of utility.

(c) Define the concept of consumer surplus.

6. Answer any *one* of the following questions :

(a) Discuss with suitable diagram the necessary and sufficient conditions of consumer's optimum choice in an ordinal utility framework.

(b) Discuss the decomposition of price effect into income effect and substitution effect with the help of Slutsky method. (Use diagram)

UNIT—IV

7. Answer any *two* of the following questions : 2×2=4

(a) "Technology leads to increased production." How? Explain.

(b) What is the value of Marginal Revenue (MR) when elasticity of demand is unity? Illustrate with the established relationship.

(c) Point out the difference between fixed cost and variable cost.

8. Answer any *one* of the following questions : 10

(a) Discuss with suitable diagram the law of variable proportion. Mention the limitations of the law. 7+3=10

(b) Discuss how least cost combination of factors is achieved with the help of isoquant and isocost line. (Use diagram)

UNIT—V

9. Answer any *two* of the following questions : 2

(a) Point out the difference between perfect market and imperfect market.

(b) Is monopoly market socially desirable? Comment.

(c) Define price discrimination under monopoly.

10. Answer any *one* of the following questions :

(a) (i) "A firm under perfect competition is price taker." Explain.

(ii) Discuss the price and output determination of a firm under perfect competition in the long run. (Use diagram)

(b) (i) Define natural monopoly.

(ii) Discuss how price and output are determined by a discriminant monopolist. (Use diagram) 8

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