

GENERIC ELECTIVE COURSE EXAMINATION, 2022

Semester – I

GEC-1 (Economics) - Introductory Microeconomics

Time - Three Hours

Full marks – 60

Answer any five questions. Questions are of values as indicated at the margin.

1. (a) State the laws of demand and supply. Following usual demand and supply curves, show the occurrence of equilibrium and check the stability of the equilibrium.  
(b) Under what circumstances, price ceiling and floor are imposed by the government?  
8+4
2. (a) Draw an indifference map and state its properties. (b) Why a usual indifference curve is negatively sloped and convex to the origin? (c) Check under what conditions, an indifference curve might be a straight line.  
4+6+2
3. Assuming price of one commodity changes, keeping money income and price of other commodity unchanged, illustrate the total effect, income effect and substitution effect. Hence draw the ordinary and compensated demand curve for the commodity whose price is changing.  
8+4
4. What is a production function? Illustrate a short run total product curve and derive the average and marginal product curves from there. Also show the optimum stage of production.  
2+7+3
5. Define cost function and its components. Using the concept of returns of scale, examine the curvature of the short run total, average and marginal cost curves with suitable diagrams.  
4+8
6. (a) Define a perfectly competitive market and discuss its properties. (b) Illustrate the short run equilibrium in such market.  
4+8
7. (a) What is monopoly market and why does it arise? (b) Using a suitable diagram, discuss the short run monopoly equilibrium.  
4+8
8. Write short notes on (any three):  
(a) Price consumption curve, (b) Income consumption curve, (c) Ridge lines & Isoquant, (d) Long run cost function, (e) cross price elasticity of demand.  
4X3