

B.A. (Honours) Examination, 2014

Semester – I

Economics (Subsidiary)

Paper – S-1.1

(Microeconomics-I)

Time: 3 Hours

Full Marks: 40

Questions are of value as indicated in the margin.

Answer question no. 1 and **any two** from the rest.

1. Answer **any one** of the following:

(i) Distinguish between the movement along a demand curve and a shift in the demand curve. What are the factors which cause shift in the demand curve? 4+4=8

(ii) What is an indifference curve? What are its properties? What is MRS_{xy} ? 4+4=8

(iii) Distinguish between returns to scale and returns to a variable factor with the help of iso-quants. 4+4=8

2. Explain the concepts of average revenue, marginal revenue and total revenue. Show the relationship between average revenue (AR) marginal revenue (MR) and elasticity of demand. 2+2+2+10=16

3. Derive the demand curve for a Giffen good with the help of indifference curve analysis. Why is it has positive slope? 12+4=16

4. Distinguish between Returns to a factor and Returns to scale. Establish the law of variable proportions with the help of suitable diagram. 6+10=16

5. (i) What are the factors of production?

(ii) Why any two isoquant do not intersect each other?

(iii) What is production function? How can you distinguish between Short Run and Long Run production function?

(iv) Why the factor, capital is also characterised as “Accumulated dead labour”?

2+4+6+4=16
