

DHANAMANJURI UNIVERSITY

BA 1st SEMESTER (CBCS)

2021

DECEMBER

ECONOMICS (Pass)

DEC-101

PRINCIPLES OF MICROECONOMICS - 1

Full Mark: 100

The figures in the margin indicate full marks for the questions.

All questions are compulsory.

SECTION-A: Short Answer Type Questions

5x8=40

1. Explain the central problems of an economy.
2. Distinguish between cardinal utility and ordinal utility.
3. State the law of supply and mention in two situations in which the law of supply is inoperative.
4. Why cannot two indifference curves intersect to each other?
5. What is meant by water–diamond paradox ?
6. State the properties of an isoquant.
7. What is meant by marginal rate of technical substitution between factors?
8. Write the important features of perfect competition.

SECTION B: Essay Type Questions

15x4=60

1. Enumerate the factors which cause a change in the demand for a commodity. Distinguish with illustrations ,a movement along a demand curve and a shift of the demand curve. 5+10=15
2. Analyse the equilibrium of a consumer with the help of indifference curve technique. 15
3. Explain the nature of short run cost curves. Show the relationship between short run Average Cost(AC) and Marginal Cost(MC) curves. 5+10=15
4. What is meant by allocative efficiency? How does perfect competition lead to allocative efficiency? 5+10=15
