

Total No. of Printed Pages—4

**3 SEM TDC ECOH (CBCS) C 5**

**2 0 2 4**

( Nov/Dec )

**ECONOMICS**

( Core )

Paper : C-5

**( Essentials of Microeconomics )**

Full Marks : 80

Pass Marks : 32

Time : 3 hours

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

1. Answer the following as directed : 1×8=8

(a) The cardinal utility is propounded by  
\_\_\_\_\_.

( Fill in the blank )

(b) In case of Giffen's good, the income effect is stronger than substitution effect.

( Write True or False )

(c) Write one property of expenditure function.

( 2 )

(d) Revealed preference theory is propounded by

(i) Paul Samuelson

(ii) A. Marshall

(iii) J. R. Hicks

( Choose the correct option )

(e) In the two-input case, if the product isoquants are L-shaped, the inputs are

(i) perfect substitute for each other

(ii) perfect complementary to each other

(iii) independent of each other

( Choose the correct option )

(f) Write one limitation of Cobb-Douglas production function.

(g) Write one example of implicit cost.

(h) Write one difference between pure competition and perfect competition.

2. Write short notes on any *four* of the following

(within 150 words each) :  $4 \times 4 = 16$

(a) Assumptions of indifference curve

(b) Revealed preference theory

( 3 )

(c) Expansion path

(d) Determinants of cost functions

(e) Profit maximization rule

Answer the following questions (**within 500 words** each) :

3. (a) Explain the indirect utility functions. What are the differences between direct and indirect utility functions?  $6+6=12$

Or

(b) Compare and contrast utility maximization and expenditure minimization. Explain the properties of expenditure function.  $(3+3)+6=12$

4. (a) Write the meaning and differences between compensated and ordinary demand curves. Explain Slutsky's equation.  $5+6=11$

Or

(b) Explain the theory of inter-temporal choice. 11

5. (a) Briefly explain :  $6+5=11$

(i) Marginal rate of technical substitution

(ii) Elasticity of substitution

Or

- (b) What do you mean by linear production function? Explain the properties of Cobb-Douglas production function.

2+9=11

6. (a) Illustrate how long-run average cost curve is derived from a set of short-run average cost curves. Discuss how economies and diseconomies of scale determine the shape of the LAC curve.

6+5=11

Or

- (b) (i) Describe the properties of cost function. 6
- (ii) Explain why a firm's unit cost to produce a product declines as the variety of its product increases. 5

7. (a) Discuss how equilibrium is attained by a firm under perfect competition in the short run and in the long run with diagrams. 11

Or

- (b) (i) Define profit function. What are its properties? 2+4=6
- (ii) Write on the short-run supply curve of a firm under perfect competition. 5

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