P-I (1+1+1) H / 19 (N)

2019

ECONOMICS (Honours)

Paper Code : I-A & B

[New Syllabus]

Full Marks : 100   Time : Four Hours

Important Instructions
for Multiple Choice Question (MCQ)

- Write Subject Name and Code, Registration number, Session and Roll number in the space provided on the Answer Script.

Example : Such as for Paper III-A (MCQ) and III-B (Descriptive).

Subject Code : | III | A | & | B |

Subject Name : [   ]

- Candidates are required to attempt all questions (MCQ). Below each question, four alternatives are given [i.e. (A), (B), (C), (D)]. Only one of these alternatives is 'CORRECT' answer. The candidate has to write the Correct Alternative [i.e. (A)/(B)/(C)/(D)] against each Question No. in the Answer Script.

Example — If alternative A of 1 is correct, then write :

1. — A

- There is no negative marking for wrong answer.

- No student will be allowed to leave the examination hall before completion of the examination.

- Using abusive language or employing any other unfair means, he/she will render himself/herself liable to disqualify.

- Use of any mobile phone, calculator or log table etc. in the examination hall is prohibited, except specially instructed in the question paper.

মাল্টি পল চয়েস প্রশ্নের (MCQ) জন্য জরুরী নির্দেশাবলী

- উত্তরপত্রে নির্দেশিত স্থানে বিষয়ের (Subject) নাম এবং কোড, রেজিস্ট্রেশন নম্বর, সেশন এবং রোল নম্বর লিখতে হবে।

উদাহরণ — যেমন Paper III-A (MCQ) এবং III-B (Descriptive)।

Subject Code : | III | A | & | B |

Subject Name : [   ]

- পরীক্ষার্থীদের সবগুলি প্রশ্নের (MCQ) উত্তর দিতে হবে। প্রতিটি প্রশ্নে চারটি করে সম্ভাব্য উত্তর, যথাক্রমে (A), (B), (C) এবং (D) করে দেওয়া আছে। পরীক্ষার্থীকে তার উত্তরের স্বপক্ষে (A) / (B) / (C) / (D) সঠিক বিকল্পটিকে প্রশ্ন নম্বর উল্লেখসহ উত্তরপত্রে লিখতে হবে।

উদাহরণ — যদি 1 নম্বর প্রশ্নের সঠিক উত্তর A হয় তবে লিখতে হবে :

1. — A

- ভুল উত্তরের জন্য কোন নেগেটিভ মার্কিং নেই।

- কোন অবস্থাতেই পরীক্ষার্থীকে পরীক্ষাচলাকালীন পরীক্ষাকেন্দ্রের বাইরে যাওয়ার অনুমতি দেওয়া যাবে না।

- অবাঞ্ছিত কোন শব্দ ব্যবহার করা অথবা অবৈধ কোনো কাজকর্মে লিপ্ত থাকলে ছাত্র/ছাত্রী তার পরীক্ষা বাতিলের জন্য নিজেই দায়ী থাকবে।

- প্রশ্নপত্রে নির্দেশিত বিশেষ নির্দেশ ছাড়া পরীক্ষাকক্ষে মোবাইল ফোন, ক্যালকুলেটর অথবা লগ-টেবিল ইত্যাদি ব্যবহার নিষিদ্ধ।

Paper Code : I-A

Full Marks : 20   Time : Thirty Minutes

Choose the correct answer.

Each question carries 2 marks.

1. The short run supply curve of a monopolist —

   (A) is a upward rising curve with price

   (B) does not exist

   (C) may be upward rising or downward sloping with price

   (D) is independent of price

2. In case of inferior good —

   (A) Price effect is positive

   (B) Income effect is negative

   (C) Substitution effect is zero

   (D) Income effect is positive

3. If with a fall in price of a commodity, the total outlay also falls, the price elasticity of demand e_p is —

   (A) Unity

   (B) More than unity

   (C) Less then unity

   (D) Infinity

4. If cross-elasticity of demand is less than zero, the goods are —

   (A) Complements

   (B) Substitutes

   (C) Not related

   (D) Spuriously related

5. Producer's surplus is the excess of market price over —

   (A) MU

   (B) MR

   (C) MC

   (D) AC

6. The 'envelop curve' is the curve related to —

   (A) LAC

   (B) SAC

   (C) SMC

   (D) AVC

7. If the $MRTS_{L,K} = 2$, then $MP_K/MP_L = ?$

   (A) 2

   (B) 1

   (C) ½

   (D) 4

Turn Over

8. The horizontal demand curve parallel to x-axis implies that elasticity of demand is —

(A) Zero (0)

(B) Infinity (∞)

(C) One (1)

(D) Less than 1 (< 1)

9. According to the Law of variable proportions, the AP curve of the variable factor is inverse U shaped, the shape of the AVC curve will be —

(A) Parallel to x axis

(B) Parallel to y axis

(C) Inverse of the AP curve

(D) Similar to AP curve

10. Identify the option which is not a feature of monopolistic competition

(A) excess capacity

(B) product variation

(C) selling cost

(D) reaction function

_____

Turn Over

2019

ECONOMICS (Honours)

Paper Code : I-B

[New Syllabus]

Full Marks : 80   Time : Three Hours Thirty Minutes

The figures in the margin indicate full marks.

Section - I

Short Essay Type Question

Answer any *four* questions.   10×4=40

1. (a) Ajay likes pollution as bad and automobiles as good. Draw the indifference curve in the pollution-automobile commodity space for Ajay.

(b) Suppose there are two commodities, each of which causes a reduction in utility level beyond a certain point of consumption. What would be the shape of typical indifference curve? Explain graphically.   5+5

2. The utility function of a consumer is $U(x,y) = Ax^{\alpha}.y^{\beta}$

where A = positive constant

x, y = strictly positive quantities.

$0 < \alpha < 1, 0 < \beta < 1$

and the budget constraint is $M = P_1 x + P_2 y$

where M = Money Income

P_1 and P_2 are prices of goods x & y.

Show that equilibrium demand for the goods depend on income, relative prices and on the exponents of the utility function.   10

3. Define quasi-rent. Illustrate the concept of quasi-rent with help of a standard cost-revenue graph. 3+7

4. Point out the difference between oligopoly market and monopolistic competition market. Explain the short run equilibrium conditions of a monopolistically competitive firm. What do you mean by excess capacity? 2+6+2

5. What do you mean by stability of market equilibrium for a good? Explain Walrasian conditions for stability of the equilibrium. 10

6. Suppose a firm enjoys IRS upto a certain output level and then CRS. Illustrate the shape of the firm's long run AC curve. 10

7. The customer buys $x_1 = 20$ and $x_2 = 50$ at a price $P_1 = 5$ and $P_2 = 5$. He also buys $x_1 = 10$, $x_2 = 70$ at price $P_1 = 4$ and $P_2 = 3$. Is the customer's choice consistent? Explain in the lens of revealed preference approach. 10

8. Define : 2½×4=10

   (a) Isoquant

   (b) Isocost

   (c) Ridge Line

   (d) Expansion path

Section - II

Essay Type question

Answer any *two* questions. 20×2=40

9. (a) How would you reconcile the law of demand with the statement 'a rise in demand always shoots up the price'.

   (b) Derive the demand curve for a commodity from PCC of a rational consumer.

   (c) Explain Giffen's Paradox. 10+5+5

Turn Over

10. Account for 5×4

   (a) Sancer type short run AVC curve

   (b) J shaped LAC curve

   (c) L shaped LAC curve

   (d) Break-Even point of the perfectly competitive firm.

   (e) Shut-Down point of the perfectly competitive firm.

11. (a) Show the three stages of production using total product and average product curve of a factor of production. How does the Marginal Product curve behave in each stage of production and why?

   (b) Consider the Cobb Douglas Production Function

   $$Q = AL^\alpha K^\beta$$

   Show that

   (i) the marginal and average product decline from the outset.

   (ii) Marginal and Average Product depend upon the ratio in which they are combined. 10+10

12. (a) Derive the labour supply curve of a rational worker who maximises utility from income and leisure.

   (b) Explain the mechanism of the determination of the equilibrium wage rate in perfectly competitive market. 10+10

———————