

Model Question Paper  
Economics (Honours)

Paper: ECO-HC-1016

(INTRODUCTORY MICROECONOMICS)

Full Marks - 80

Time: 3 hours

1. Answer the following as directed  $1 \times 10 = 10$
- What are the basic economic activities?
  - What is rationing?
  - Define Law of demand.
  - Define elasticity of demand.
  - What is indifference curve?
  - What is substitution effect?
  - What do you mean by short run cost?
  - Define monopoly market structure.
  - What is marginal productivity?
  - Define selling cost.

2. Answer the following questions  $2 \times 5 = 10$

a) What are the central problems in an economy?

b) Distinguish between statics and dynamics.

c) Distinguish between movement along the demand curve and shift in the demand curve.

d) What are the factors determining optimum choice for a consumer.



(2)

e) In what situation an imperfectly competitive market attain equilibrium?

3. Answer any four of the following questions

4 x 5 = 20

a) Explain the derivation of market demand curve.

b) Explain Marshallian and Hicksian concepts of consumer surplus.

c) Explain Hicksian substitution effect.

d) Discuss the characteristics of indifference curve technique.

e) What do you mean by economies and dis economies of scale.

f) 'Every monopolistic firm has Excess capacity' - Discuss.

4. a) Answer any four questions of the following

What is production possibility curve? What are its assumptions? Why is it generally concave towards the origin? 4 x 10 = 40

b) What is market equilibrium? Explain the determination of market price by the mutual collaboration of demand and supply function.

c) "Price effect is the combine effect of Income and substitution effect" - Explain.



- d) Discuss the process of price output determination under monopoly.
- e) Explain optimal allocation of resources with the help of perfectly competitive market model.
- f) Explain price output determination ~~in~~ by a perfectly competitive market under differential cost condition.