[23-HKPD1SNP - 24M]

MA 1st Semester (NEP) Examination, 2023 (W)

ECONOMICS (DSC)

(Microeconomic Theory - I)

[EC S1 - 01]

Full Marks : 70

Time : 3 hours

The figures in the right-hand margin indicate marks.

1. Answer any *five* from the following questions (each in around 400 words): $10 \times 5 = 50$

   (*a*) Differentiate between strong and weak ordering. Explain derivation of law of demand through Hicks's logical ordering approach. 3+7 = 10

   (*b*) How will you calculate the income elasticity of demand from the proportion of income spent on a good ? How does equi-marginal utility explain consumer's equilibrium ? Discuss. 4+6 = 10

   (*c*) Why does the total variable cost curve start from the origin while the total cost curve starts from a point on the α axis ? Explain briefly the household model of time allocation. 3+7 = 10

   (*d*) How does output respond to changes in input under increasing and constant return to scale ? State the properties of isoquant. 5+5 = 10

   (*e*) Write the differences between pure competition and perfect competition. Discuss the concept of break-even with the help of appropriate figure. 4+6 = 10

   (*f*) Explain why a firm might continue to produce in the short run even through the market price is less than its average total cost. Discuss the process of derivation of supply curve in perfect competition. 4+6 = 10

(*g*) Explain the three methods of control and regulation of monopoly with appropriate diagram.

(*h*) Explain consumer's equilibrium using indifference map and budget line.

2. Answer any *four* from the following questions (each in around 200 words): $5 \times 4 = 20$

(*a*) "Price-output situation is indeterminate under bilateral monopoly" Discuss.

(*b*) Illustrate Chamberlin's measure of excess capacity.

(*c*) State and distinguish between Cournot and Bertrand model of Oligopoly.

(*d*) Discuss the different forms of collusive oligopoly.

(*e*) Explain the various methods of measuring elasticity of demand.

(*f*) Explain the important characteristics of constant elasticity type demand function.