[24-HKPD1SN-24J (M2)]

MA 1st Semester (NEP) Exam. 2024 (S2)

ECONOMICS

(Microeconomic Theory-I)

[PGEC, 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*) Diagramatically explain the price effect and its two components.

   (*b*) Discuss the law of returns to scale.

   (*c*) Explain how price and output are determined under perfect competition in the short run.

   (*d*) State the concept of price discrimination with its various degrees. Explain the control and regulation process of monopoly power. 2+3+5 = 10

   (*e*) Diagramatically explain the equilibrium of multi-product firm.

   (*f*) Write short notes on the following : 4+3+3 = 10

   (*i*) Proportional and perceived demand curve

   (*ii*) Product differenciation

   (*iii*) Excess capacity

   (*g*) Discuss Sweezy's kinked demand curve.

   (*h*) Explain the price leadership model of collusive oligopoly.

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

(*a*) Distinguish between law of demand and Engel's law of demand. Draw Engel's demand curve for normal and inferior goods. 3+2 = 5

(*b*) Briefly explain Bernoulli's solution to the St. Petersburg paradox.

(*c*) Explain the linear expenditure system.

(*d*) 'The long run cost curve is also known as envelope curve.' Explain the statement.

(*e*) Prove that the CES production function is homogeneous of first degree.

(*f*) State the concept and importance of break-even point.