P-I (1+1+1) H / 17 (N)

2017

ECONOMICS (Honours)

Paper Code : I-A

[New Syllabus]

Full Marks : 20   Time : Thirty Minutes

Important Instructions for **OMR Sheet**

1. Write / Fill your correct Subject Name, Subject Code & Paper Code in the space provided on the top of the OMR sheet (Subject Codes are given on the back of the OMR sheet & Paper Code in the Question Paper.)

2. Write / Fill your Roll number, Registration number, Regn. Session, Exam Date and Exam Session in the space provided on the OMR Sheet.

3. Each item has four alternative responses marked (A), (B), (C) and (D). You have to darken the circle as indicated below on the correct response against each item.

4. Your responses to the items are to be indicated in the **OMR Sheet given inside the Paper Booklet only**. If you mark at any place other than in the circle in the OMR Sheet, it will not be evaluated.

5. If you write your Name, Phone Number or put any mark on any part of the OMR Sheet, except for the space allotted for the relevant entries, which may disclose your identity, or use abusive language or employ any other unfair means, you will render yourself liable to disqualification.

6. You have to return the OMR Sheet to the invigilators at the end of the examination compulsorily and must not carry it with you outside the Examination Hall.

7. **Use only Blue/Black Ball point pen. Use of any mobile phone, calculator or log table etc. in examination hall, is prohibited.**

Answer *all* the questions in OMR sheet.

Choose the correct answer.

Each question carries 2 marks.

1. If $|e| = \infty$ then

    (A) MR > 1

    (B) MR < 1

    (C) AR = MR

    (D) AR > MR

2. At shutdown point of the firm under Perfect Competitive market

    (A) TR = TC

    (B) TR > TC

    (C) TR = TVC

    (D) TR = TFC

3. The shape of AFC curve is

    (A) '∪' shaped

    (B) '∩' shaped

    (C) Fixed horizontal

    (D) Downward sloping Rectangular hyperbola

Turn Over

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4. Degree of Monopoly power is measured as

   (A) $\dfrac{P-AFC}{P}$

   (B) $\dfrac{P-AC}{P}$

   (C) $\dfrac{P-MC}{P}$

   (D) $\dfrac{P-AVC}{P}$

5. 'All the inferior goods are Giffen goods, but all the Giffen goods are not inferior goods'— the statement is

   (A) True

   (B) False

   (C) Partly True

   (D) None of the above

6. The indifference curve drawn from the following utility func is $U = \min\left(\dfrac{X}{\alpha}, \dfrac{Y}{\beta}\right)$

   (A) Downward sloping curve

   (B) Downward sloping line

   (C) 'L' shaped

   (D) Circular

7. In case of monopolist the relation between AR and MR will be

    (A) AR = MR

    (B) AR > MR

    (C) AR < MR

    (D) None of the above

8. A discriminatory monopolist always changes higher price between two markets where the elasticity of demand is

    (A) Higher

    (B) Lesser

    (C) Equal

    (D) Infinity

9. In long Run monopolist firm enjoys _____ .

    (A) Super Normal Profit

    (B) Only Normal Profit

    (C) Nothing but loss

    (D) None of the above

10. The theorem which states that each factor has to paid according to their marginal product to exhaust the total product, is known as

    (A) Marginal Product Theorem

    (B) Factor Product Theorem

    (C) Factor Exhaustive Theorem

    (D) Euler's Theorem

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Turn Over

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P-I (1+1+1) H / 17 (N)

2017

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. What is the relationship among substitution effect, price effect and income effect in case of Giffen goods.

2. Let $Q = A X_1^\alpha X_2^\beta$ $(\alpha, \beta > 0)$ be the production function, X_1 and X_2 are the two inputs. Define under what condition the above production function will be (i) strictly concave, (ii) neither concave nor convex.

3. Explain the relationship between short run and long run average cost curves.

4. Why do we say perfect competition and decreasing cost is incompatible in the long run equilibrium.

5. Distinguish between competition and monopolistic aspects of monopolistic competition.

6. Why does the demand curve become kinked under oligopoly ?

7. What is the cause of backward bending supply curve of individual labour ?

8. Discuss the concept of 'economic rent'. Show that the size of economic rent varies inversely with the supply elasticities.

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Section - II

Essay Type question

Answer any *two* questions.   20×2=40

9. (a) What are the reasons for short run AC Curve to be 'U' shaped ?

     (b) Why does MC curve intersect the AC curve at its lowest point ?

     (c) Is the 'U' shaped AC curve consistent with Cobb-Douglas production function ? Discuss.   7+7+6=20

10. Assuming perfectly competitive factor and commodity market show (with the help of diagram) that —

     (i) The demand curve of the firm for a single variable factor (say labour) is its VMP curve.

     (ii) The demand curve for a factor labour, when several resources are variable is the locus of the points belonging to shifting VMP curves.

     (iii) The market demand for the factor, labour, is not the simple horizontal summation of demand curves of individual firms.   7+7+6=20

11. (i) Explain the problems in oligopolistic pricing which arise due to interdependence in decision making of various firms.   10

     (ii) Write a short note on the collusive oligopoly with the help of Stackleberg model of Oligopoly.   10

12. (i) Critically analyse the marginal productivity theory of distribution.

     (ii) Discuss the relationship between price of the commodity and economic rent.   10+10=20

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