

Anjan

TDP/BAH1-BSH1/ECOH/14

TDP (Honours) 1st Semester Exam., 2014

ECONOMICS

(Honours)

FIRST PAPER

Full Marks : 80

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

Answer **eight** questions, taking **two** from each Unit

*Candidates are required to give their answers
in their own words as far as practicable*

UNIT—I

1. (a) Point out the difference between
'Microeconomics' and 'Macroeconomics'.

(b) Explain how the scope of economic
analysis is influenced by any *two* of the
following basic elements :

(i) Commodities

(ii) Markets

(iii) Basic economic units

(iv) Prices

2+(4×2)=10

M15—490/375

(Turn Over)

(2)

2. (a) How can price elasticity of demand be measured at a point of a demand curve which is convex to the origin?
(b) Show that slope of demand curve does not necessarily mean the price elasticity of demand. 5+5=10
3. (a) Why is the supply curve positively sloped?
(b) When does a supply curve become backwardly bending?
(c) What will happen to the stability of equilibrium when the supply curve is negatively sloped? 4+2+4=10

UNIT—II

4. (a) State and explain the law of equimarginal utility.
(b) What are the limitations of Marshallian utility analysis? 6+4=10
5. (a) How can price effect be decomposed into income effect and substitution effect?
(b) How does a compensated demand curve differ from the ordinary demand curve? 6+4=10

M15—490/375

(Continued)

6. (a) When is a 'preference' of a consumer said to be 'revealed'?
- (b) Which assumptions would you like to propose to explain the above 'revealed preference'?
- (c) Explain the strong axiom of revealed preference. 2+5+3=10

UNIT—III

7. Given the isoquants of a firm and the prices of the two inputs it uses, find the condition(s) the firm must fulfil to produce (a) a given output at the least possible cost and (b) the largest output at a given cost. 5+5=10
8. (a) Explain diagrammatically the relation between short-run and long-run average cost curves.
- (b) Show that the short-run and long-run average cost curves are dissimilar under constant return to scale. 7+3=10
9. (a) Show the relation between average revenue (AR) and marginal revenue (MR).
- (b) Establish the relationship among average revenue, marginal revenue and price elasticity of demand. 4+6=10

UNIT—IV

10. (a) Explain the differences between Gross Domestic Product and Gross National Product of a country.
- (b) Why are the above aggregates considered to be 'Gross'?
- (c) Comment on the role played by price-level in determining the above aggregates. 4+3+3=10

11. (a) How can you differentiate between 'Personal Income' and 'Disposable Personal Income' of an individual?
- (b) Consider the following information about the production in country X in the year 2013 :

Item	Value (₹)
Shirt	1,500
Fried Rice	2,000
Sewing Machine	3,000
Furniture for Government College	4,000
Sale Tax on :	
Shirt	150
Fried Rice	400
Subsidies paid by the Government to shirt manufacturers	200

Calculate the National Product of country X at factor cost. 4+6=10

12. Explain any two methods of measuring national income of a country. 5+5=10

S-1/ECOH/01/15

TDP (Honours) 1st Semester Exam., 2015

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UNIT—I

1. (a) What, in essence, is studied in 'microeconomics'?
- (b) Which are considered to be the basic economic agents or units in the study of microeconomics?
- (c) Explain the role played by the basic economic agents in the method of microeconomic analysis. 4+2+4=10

M16/369

(Turn Over)

1st Sem trans

2. "In a free and competitive market, market mechanism is the tendency for market price to change until the market clears."

Explain the above statement by using the concepts of demand and supply.

10

3. (a) What is meant by a state of 'equilibrium' in economics?

(b) When is such a state of equilibrium said to be (i) stable and (ii) unique? $4+(3+3)=10$

UNIT—II

4. (a) What does an indifference curve represent?

(b) Why does an indifference curve slope downward from left to right?

(c) Why is it not possible for two indifference curves to intersect?

$$3+3\frac{1}{2}+3\frac{1}{2}=10$$

5. (a) How can you explain and construct an income-consumption curve?

(b) How can the concept of income-consumption curve be used to identify (i) a normal good and (ii) an inferior good?

$$(2+2)+(3+3)=10$$

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M16/369

(Continued)

6. (a) How can you explain and construct a price-consumption curve?
- (b) How can the concept of price-consumption curve be used to identify (i) a normal good and (ii) a Giffen good?
- (2+2)+(3+3)=10

UNIT—III

7. (a) What does a production function of any firm signify?
- (b) Consider a production function with one fixed input (capital) and one variable input (labour) and explain the relationship between the average product and marginal product of labour by using appropriate diagrams only.
- 3+7=10
8. (a) Give an idea about the concepts of 'short-run' and 'long-run' used to analyze cost of production of a firm.
- (b) Explain how the above concepts affect the cost curves of a firm. (Use suitable diagrams.)
- (c) How can economies of scale of any firm be expressed with the help of long-run average cost curve and long-run marginal curve? (No proof is required.)
- (1½+1½)+5+2=10

(4)

9. (a) What is meant by average revenue and marginal revenue of a firm?
- (b) Show, with the help of suitable diagrams, how average revenue and marginal revenue curves of a firm can be constructed if total revenue of it is known. $(2+2)+6=10$

UNIT—IV

10. (a) Differentiate between Gross National Product (GNP) and Net National Product (NNP) of a government-run economy engaged in international trade.
- (b) Why does Net National Product at factor cost differ from Net National Product at market price?
- (c) When is Gross Domestic Product (GDP) of a country equal to its Gross National Product (GNP)? $4+4+2=10$
11. (a) Give an idea about the concepts of 'imputed income' and 'transfer payment'.
- (b) Use the above concepts to explain the income-census method of measuring national income of a country. $(2+2)+6=10$

M16/369

(Continue*d*)

(5)

12. (a) What is meant by 'economic welfare'?
- (b) Explain whether national income of a country can be accepted as an index of its economic welfare. 2+8=10

S-1/ECOH/01/16

TDP (Honours) 1st Semester Exam., 2016

ECONOMICS

(Honours)

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Answer **eight** questions, taking **two** from each Unit
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UNIT—I

1. (a) What are the basic problems of an economy?
(b) How does the price system solve society's economic problems?
(c) Distinguish between positive and normative approaches to the study of microeconomics. 3+5+2=10

2. (a) Why does demand curve slope downward?
(b) What is the difference between change in demand and change in quantity demanded? Explain with the help of diagram. 5+5=10

M7/9

(Turn Over)

(2)

3. (a) Explain the concepts of inelastic demand and perfectly elastic demand.
- (b) Show how elasticity of demand at a point on a straight-line demand curve can be derived.
- (c) If cross price elasticity of demand between two goods is positive, what is the relation between those two goods?
(2+2)+5+1=10

UNIT—II

4. (a) State the law of diminishing marginal utility.
- (b) Explain the relationship between total and marginal utilities with the help of suitable diagram.
- (c) State any two points on which Marshall's cardinal utility analysis has been criticized. 3+5+2=10
5. (a) What is price effect?
- (b) Show that Price effect = Income effect + Substitution effect.
- (c) Determine the nature of a commodity by a division of price effect into income effect and substitution effect. 2+4+4=10

(3)

6. (a) When is a 'preference' of a consumer said to be revealed?
(b) What are the weak and strong axioms of revealed preference theory?
(c) Is the revealed preference theory superior to indifference curve analysis?

2+6+2=10

UNIT—III

7. (a) State the law of variable proportions.
(b) Explain the three stages of the law of variable proportion.
(c) In which stage a rational producer will seek to produce?
8. (a) Given the prices of two factors of production, explain the conditions of producing maximum output at a given cost.
(b) What is the difference between diminishing marginal returns and returns to scale?
(c) What is expansion path?
9. (a) Show the relationship between (i) average cost and average variable cost curves and (ii) average cost and marginal cost curves.

M7/9

(Turn Over)

(4)

- (b) Show that marginal cost curve intersects average cost curve at its lowest point. $(3+3)+4=10$

UNIT—IV

10. Define the concepts of (a) GNP at factor cost, (b) NNP at market price, (c) disposable income, (d) personal income and (e) per capita income. $2 \times 5 = 10$
11. (a) Explain the expenditure method of measuring national income.
- (b) What are the difficulties in measuring national income of an economy? $5+5=10$
12. (a) Explain the identity of production, income and expenditure census methods of computing national income.
- (b) What is double counting? How can the problem of double counting be removed? $5+(2+3)=10$

TDP (Honours) 1st Semester Exam., 2017

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Answer **eight** questions, taking **two** from each Unit

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own words as far as practicable*

UNIT—I

1. (a) Distinguish between microeconomics and macroeconomics.
- (b) How can you consider economics as a social science? 5+5=10
2. (a) Explain how a market attains equilibrium through interaction of demand and supply.
- (b) Discuss how the market re-attains equilibrium when there is excess demand in the market. 6+4=10

8M/9

(Turn Over)

3. (a) What are the factors determining elasticity of demand?
- (b) Explain the relationship between slope of demand curve and elasticity of demand. $5+5=10$

UNIT—II

4. (a) Discuss the properties of indifference curve.
- (b) Explain how a consumer attains equilibrium given his budget line and the indifference map. $4+6=10$
5. (a) What is meant by price consumption curve?
- (b) Explain how a price consumption curve of an individual can be derived.
- (c) Discuss how a demand curve is obtained from price consumption curve. $2+4+4=10$
6. (a) What is income consumption curve?
- (b) How can you derive demand curve from income consumption curve?
- (c) Explain different shapes of income consumption curves for normal and inferior goods. $2+4+(2+2)=10$

UNIT—III

7. (a) What is production function?
- (b) Discuss the relation among total, average and marginal products in different stages of production in the short-run.
- (c) Briefly discuss the difference between law of variable proportions and returns to scale. $2+5+3=10$
8. (a) What is returns to scale?
- (b) Briefly explain the causes of increasing returns to scale and decreasing returns to scale.
- (c) Distinguish between economies and diseconomies of scale. $2+(3+3)+2=10$
9. (a) Show that short-run average variable cost curve is U-shaped.
- (b) Why is long-run average cost curve envelope to the short-run average cost curves? $5+5=10$

UNIT—IV

10. Distinguish between the following : $2 \times 5 = 10$

(a) GNP and NNP

(b) Nominal GNP and Real GNP

(c) GNP at market price and GNP at factor cost

(d) NDP at market price and NDP at factor cost

(e) GNP at current price and GNP at constant price

11. (a) Discuss, in brief, the income method of measuring national income.

(b) Mention some of the difficulties faced in this method. $5 + 5 = 10$

12. (a) Write down the concept of Net Economic Welfare. What are the injection and leakages in Net Economic Welfare?

(b) Is GNP a correct index of measuring economic welfare? $(2 + 3) + 5 = 10$
