

Chanchal College Home Assignment

Economics (Hons)

Part 1(Micro Economics)

Students have to send their answer scripts to eco.dept.chanchal@gmail.com

Group A

Full Marks 20.

Time 30 Minutes

1. Demand curve is
 - a) Upward rising b) Downward sloping c) None of these.
2. Higher indifference curve implies
 - a) higher level of utility b) lower level of utility c) same level of utility
3. Cobb Dauglas production function is
 - a) homogeneous of degree zero b) homogeneous of degree one c) non homogeneous
4. Revealed preference theorem was developed by
 - a) Marshall b) Samuelson c) Hicks and Allen
5. Average cost curve is
 - a) Upward rising b) downward sloping c) U shaped
6. In monopoly there is
 - a) single seller and large no of buyers b) single buyer and large no of sellers c) large no of buyers and sellers
7. In perfect competition short run equilibrium exist when
 - a) $P=MC$ b) $MR =MC$ c) $MR<MC$
8. In monopolistic competition products are
 - a) similar b) different c) none of these
9. Classical theory of Rent was developed by
 - a) Ricardo b) Marshall c) Marx
10. In case of luxury commodity income effect is
 - a) positive but less than one b) greater than one c) negative.

Group B

Full Marks 80.

Time 3 hours 30 minutes

Answer any four questions 20*4

- 1) Explain the Hicks Allen measure of substitution effect and slutsky measure of substitution effect.
- 2)
 - a) Define PCC curve
 - b) Derive ordinary demand curve from PCC curve.
 - c) Show that such a PCC curve gives us a clue about the price elasticity of demand and cross elasticity of demand.
- 3) State the properties of Cobb- Douglas Production Function.

- 4)
 - a) What do you mean by the firm's expansion path?
 - b) Do you think that firms always move along the expansion path?
 - c) "Any homogeneous production function can give rise to a straight-line expansion path. The specific degree of homogeneity does make a significant difference in the interpretation of the expansion path." Explain the statement with suitable examples and diagrams.
- 5) A monopolist finds that he can divide his market into two parts and discriminate between them. What will be the changes in his profits, price and output?
- 6) Critically examine the marginal productivity theory of distribution.