BANKURA UNIVERSITY

UG END SEMESTER-II EXAMINATION, 2022

Subject: Economics (Hons)

Course Title: Intermediate Microeconomics-I

Course Code: SH/ECO/201/C-3

Course ID: 21611

Time: 2 Hours Full Marks: 40

The figures in the margin indicate full marks.
Candidates are required to give their answers
in their own words as far as practicable.

1. **Answer any five (5) of the following questions.** **2×5=10**

a. Why Indifference Curve is negatively sloped?

b. Mention two limitations of Cardinal Approach to the theory of consumer behaviour.

c. In a two commodity world, X and Y, if the commodities consumed are perfectly complimentary in nature then what will be the shape of indifference curve?

d. What is Giffen good?

e. State the Strong Axiom of Revealed Preference.

f. What will be the sign of income elasticity of demand when the commodity in question is inferior in nature?

g. What is Marginal Rate of Technical Substitution?

h. What is Cob-Douglas production function?

2. **Answer any four (4) questions** **4×5=20**

a. What do you mean by 'Diminishing Marginal Utility" and 'Law of Equi-Marginal Utility'? (2.5+2.5)

b. Briefly discuss the features of Indifference Curve. (5)

c. Derive demand curve with the help of Revealed Preference theory. (5)

d. State and prove the relationship between Average Revenue (AR), Marginal Revenue (MR) and Own Price Elasticity of Demand (e_P). (5)

e. What is Expansion Path? Discuss in brief using a diagram. (1+4)

f. What is Sunk Cost? Define Average Variable Cost (AVC) and Marginal Cost (MC).What will be shape of Average fixed cost (AFC) curve? (1+3+1)

3. Answer any one (1) question. 10×1=10

a. In a two commodity world, X and, Y, with price of X as P_X and Price of Y as P_Y, Prove that 'Price Effect is sum of 'Substitution Effect' and 'Income Effect'. (10)

b. Briefly discuss the short run equilibrium condition of a perfectly competitive firm using an appropriate diagram. What do you mean by'Break Even Point' & 'Shut Down Point'? (6+4)