

**2020-21**  
**Time - 3 hours**  
**Full Marks – 80**

*Answer **all groups** as per instructions.  
Figures in the right hand margin indicate marks.  
Candidates are required to answer  
in their own words as far as practicable.*

**Group-A**

1. Answer all questions or fill in blanks as required. [1x12]
- a) Income elasticity of demand is negative for \_\_\_\_\_ goods  
(Superior goods, Giffen goods).
  - b) Under \_\_\_\_\_ market conditions, there is product homogeneity.
  - c) The price elasticity of demand for salt is \_\_\_\_\_. (more / less)
  - d) The difference between what a person is willing to pay and what he actually pay for a goods is called \_\_\_\_\_.
  - e) Write two determinants of price elasticity of demand.
  - f) Supply curve generally slopes \_\_\_\_\_ from left to right.
  - g) Indifference curves generally slope \_\_\_\_\_ from left to right.  
(downwards / upwards)
  - h) Indifference curves are \_\_\_\_\_ to the origin.
  - i) Give an example of fixed cost.
  - j) The cost per unit of output is called \_\_\_\_\_ cost.
  - k) The short-run Average Cost is generally \_\_\_\_\_ shaped.
  - l) Value of marginal product  $VMP = Price \times$  \_\_\_\_\_.

**Group-B**

2. Answer any eight of the following questions within two or three sentences each. [2x8]
- a) Define individual demand schedule.

- b) Write percentage method of measuring price elasticity.
- c) What is positive income elasticity of demand?
- d) What is producer's surplus?
- e) What is cardinal concept of utility?
- f) What is variable cost?
- g) Define marginal cost.
- h) Write two important properties of Indifference curve.
- i) Write the short-run equilibrium conditions of a competitive firm.
- j) What is price elasticity of demand?

**GROUP-C**

3. Write notes on any eight of the followings within 75 words: [3x8]
- a) Consumer's surplus
  - b) Cross elasticity of demand
  - c) Zero price elasticity of demand
  - d) Economies of scale
  - e) Convexity of Indifference curve
  - f) Income effect of a price change
  - g) Marginal product of labour
  - h) Price elasticity of supply
  - i) Relation between MC and AC
  - j) Equilibrium in Labour Market

**GROUP- D**

4. Answer any four questions within 500 words each. [7x4]
- a) Explain the factors determining price elasticity of demand of goods.
  - b) What is consumer's surplus? How it is measured? Explain.
  - c) Explain important properties of an indifference curve.
  - d) "Price effect is the combination of Income and Substitution effect. Explain with suitable diagram.

- e) What is average cost? Why is the Short-run Average Cost (SAC)'U' shaped?
- f) How does a competitive firm attain equilibrium in the short-run? Explain.
- g) How is equilibrium in labour market attained? Explain.

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