

2020-21

Time - 3 hours

Full Marks - 80

*Answer all groups as per instructions.
Figures in the right hand margin indicate marks.*

GROUP - A

1. Answer all questions or fill in blanks as required. [1 × 12]
- (a) Who had defined economics as a science of wealth ?
 - (b) What is opportunity cost ?
 - (c) What are incentives ?
 - (d) Human wants are _____ in nature.
 - (e) _____ is used as a measuring rod in economics.
 - (f) Market forces consist of _____ and _____.
 - (g) Rise in demand with given supply causes market price to _____.
 - (h) Perfectly elastic demand curve makes the demand curve _____.
 - (i) Durable goods have _____ type of demand.

[2]

- (j) What is the rate at which one good is substituted for another ?
- (k) Which cost is not taken into account by an accountant ?
- (l) How is MR related to AR in a competitive market ?

GROUP – B

2. Answer any eight of the following questions within two to three sentences each.

[2 × 8

- (a) What is Circular Flow diagram ?
- (b) What is market economy ?
- (c) What is demand function ?
- (d) What is equilibrium price ?
- (e) What is perfectly elastic demand ?
- (f) What is consumer surplus ?
- (g) What is meant by income effect ?
- (h) What is budget line ?
- (i) What is implicit cost ?
- (j) How is MR related to AR in a competitive market ?

[3]

GROUP – C

3. Answer any eight of the following questions within 75 words each.
[3 × 8]

- (a) What are economic models ?
- (b) What are production possibility Frontiers ?
- (c) What is meant by market demand ?
- (d) What is market equilibrium ?
- (e) What is price elasticity of demand ?
- (f) What is cross elasticity of demand ?
- (g) What is an indifference curve ?
- (h) What do you mean by budget constraint ?
- (i) What is average variable cost ?
- (j) State short-run equilibrium of firm under perfect competition.

GROUP – D

Answer any four questions within 500 words each.

- 4. What do you mean by competitive market ? What are the basic features of perfectly competitive market ? [7]
- 5. Why is LAC called the envelope curve or planning curve ? [7]
- 6. What are economies of scale ? Show different economies of scale. [7]

P.T.O.

[4]

7. Define and draw in Indifference curve. Explain its properties. [7]
8. Define the price-elasticity of demand and discuss its determinants. [7]
9. Define the law of demand. Why do demand curves for most of the goods slope downwards to right ? [7]
10. What do you mean by economic models ? What are its features ? [7]