

EX/ARTS/ECO/UG/MINOR/TH/11/101A/2025

BACHELOR OF ARTS EXAMINATION, 2025

(1st Year, 1st Semester)

ECONOMICS

PAPER : ECO/UG/MINOR/TH/11/101A

[Principles-I (Microeconomics (Minor))]

Time : Two Hours

Full Marks : 30

CO1 : Answering the following question is compulsory.

6×1=6

1. Explain the concept of tradeoffs in economics, giving two examples. 6

CO2 : Answer any 2 out of 4 questions.

6×2=12

2. Distinguish between 'movement along the demand curve' and 'shift of the demand curve'. Using the concepts of shift and market equilibrium examine the consequences of an increase in temperature for the market of ice-cream.

3+3=6

3. Draw an indifference curve when one is a good commodity and another one is a bad commodity. Comment on its slope and curvature. Use an arrow to show the direction in which utility is increasing.

2+3+1=6

ECO-1111

[Turn Over]

(2)

4. Explain the concept of deadweight loss of a per unit tax using a diagram. Use another diagram to show the relationship between the magnitude of the tax and deadweight loss.

3+3=6

5. Define income elasticity of demand. Is a situation possible where all goods I consume are either necessities or inferior goods? Give reasons.

2+1+3=6

CO3 : Answer any 1 out of 2 questions.

6×1=6

6. Why does the marginal revenue curve always lie below a downward sloping demand curve? How does this lead to deadweight loss under monopoly?

3+3=6

7. Show that the Marginal Cost curve intersects the Average Total Cost curve at its minimum point and is upward sloping at the point of this intersection.

3+3=6

CO4 : Answering the following question is compulsory.

6×1=6

8. Explain the concept of monopsony and the determination of equilibrium wage under monopsony. Compare the monopsony wage to the socially efficient wage.

1+3+2=6

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