

Ex/ARTS/ECO/UG/MINOR/TH/2025

BACHELOR OF ARTS EXAMINATION, 2025

(2nd Year, 1st Semester)

ECONOMICS

Course : ECO/UG/MINOR/TH

(Microeconomics Theory)

Time : Two Hours

Full Marks : 30

Answer all the Sections i.e. **CO1, CO2, CO3**

CO1

Answer *any two* questions :

5×2=10

1. When will a curve become a Convex curve? Prove that the Indifference Curve is Convex to the origin.
2. Why does a monopolist firm charge a price at the elastic portion of the demand curve?
3. Define short-run in a production process. Establish the relationship between Average Product curve and Marginal Product curve.
4. Explain the long-run equilibrium situation of a firm under a Monopolistically-Competitive market structure.

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[Turn Over]

(2)

CO2

Answer *any three* questions :

5×3=15

5. Prove that all Giffen goods are Inferior goods but all Inferior goods are not Giffen goods.
6. Derive the supply curve of a firm in the short-run under Perfectly Competitive market structure.
7. Prove that the long-run Marginal Cost curve is not the envelope of the short-run Marginal Cost curve.
8. Why is the supply curve of a firm not observed under a monopoly market structure?
9. Show that the more elastic the demand curve, the less the price will be charged by the Price-Discriminating Monopolist.

CO3

Answer *any one* question :

5×1=5

10. Prove that the Elasticity of Substitution of a Cobb-Douglas type production function is 1.
11. Assume that a consumer in a two-commodity world consumes two commodities X and Y ; the consumption amount is expressed as x and y . The consumer's utility function is expressed as $U = xy$ and the budget equation is $p_x x + p_y y \leq M$ where the notations have their usual meanings. Derive the demand functions of X and Y .

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