

BACHELOR OF ARTS EXAMINATION, 2019

(1st Year, 1st Semester)

MICROECONOMIC THEORY - I

(G. E. COURSE)

Time : Two hours

Full Marks : 30

Answer any *three* questions

- 1) Answer any five questions: 5 x 2 = 10
 - a) What do you mean by a budget line?
 - b) Fill in the gaps with appropriate words:
 - i) Demand curves are usually ____ sloped.
 - ii) Average cost curve for a firm lies ____ the average variable cost curve.
 - c) Write whether true or false:
 - i) For a Giffen good demand rises with rise in price.
 - ii) Total fixed cost curve for a firm is a positively sloped curve.
 - d) Define demand for a commodity.
 - e) What do you mean by marginal utility?
 - f) Draw the marginal utility curve and average utility curve.
- 2) How equilibrium is obtained in a two commodity framework using equimarginal utility law. 10
- 3) Describe how demand curve is obtained in indifference curve analysis. 10
- 4) Define perfectly competitive market. State and analyse the characteristics of the perfectly competitive market. 2+8=10