

# 1M/ECO-100 Syllabus-2023

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( Nov-Dec )

**FYUP : 1st Semester Examination**

MAJOR

**ECONOMICS**

( **Microeconomics—I** )

**ECO-100**

*Marks : 75*

*Time : 3 hours*

*The figures in the margin indicate full marks  
for the questions*

Answer **five** questions, taking at least **one**  
from each Unit

## UNIT—I

1. Explain the operation of the price mechanism for solution of the economy's problems. 15
2. Discuss different degrees of elasticity of demand. Explain the total outlay method of measuring elasticity of demand. 7+8=15

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3. Explain, in brief, the nature and scope of economics. 15

UNIT—II

4. What is a production function? Explain the law of variable proportions with the help of a table and diagram. 3+12=15
5. (a) Distinguish between short-run and long-run for cost analysis.
- (b) Explain the short-run cost concepts of SAVC, AVC, SMC and AFC.
- (c) Explain the relationship between Average Cost (AC) and Marginal Cost (MC) with the help of a table and diagram. 4+4+7=15
6. (a) Define average revenue and marginal revenue. Are they identical in different market conditions?
- (b) Derive the relationship between Average Revenue (AR), Marginal Revenue (MR) and Price Elasticity of Demand. 3+4+8=15

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UNIT—III

7. (a) Explain the features of monopolistic competition.
- (b) Explain the determination of price and output under monopolistic competition in the short-run. 5+10=15
8. Explain the concept of Chamberlin's group equilibrium highlighting its assumptions. How does Chamberlin show the determination of equilibrium of the group in the long-run? 7+8=15
9. Describe the long-run equilibrium of a firm under monopoly. 15

UNIT—IV

10. (a) Distinguish between contract rent and economic rent.
- (b) Explain the modern theory of rent with suitable diagram. How far is it an improvement over the Ricardian theory of rent? 3+8+4=15
11. Discuss the liquidity preference theory of interest. What are its limitations? 9+6=15

12. Explain how welfare is measured. Discuss the concept of social welfare function. 7+8=15

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