

**5/ECO-301 Syllabus-2023**

**2 0 2 5**

( Nov-Dec )

**FYUP : 5th Semester Examination**

**MAJOR**

**ECONOMICS**

**( Microeconomics—II )**

**ECO-301**

*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. Elucidate how is the Engel curve derived.  
Describe how is it useful in identifying  
normal and inferior goods. 9+6=15
2. Show that price effect is the sum of income  
effect and substitution effect. 15
3. Write notes on the following : 7½+7½=15
  - (a) Consumer's surplus
  - (b) Expected utility function

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UNIT—II

4. (a) What is homogeneous production function? Prove that Cobb-Douglas production function is homogeneous. 5
- (b) What is expansion path? Derive the expansion path for homogeneous production function. 3+7=10
5. What do you understand by economies of scale? Explain the determinants of economies of scale. 3+12=15
6. What do you mean by marginal rate of technical substitution (MRTS)? Explain the concept with the help of diagram in the context of convex, linear and L-shaped isoquant. 3+12=15

UNIT—III

7. "The monopolist restricts output below the socially optimal level and changes a price above marginal costs, resulting in (dead-weight) loss to society." Elucidate. 15
8. How is the output determined in Cournot model? How does the number of firms affect the share of individual firm? 10+5=15

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9. What is price discrimination? Under what circumstances it becomes feasible and profitable? 3+12=15

UNIT—IV

10. What is meant by Walrasian equilibrium? Explain the conditions for the existence and uniqueness of Walrasian equilibrium. 6+9=15
11. How do externalities lead to non-attainment of Pareto efficiency? 15
12. Write notes on the following : 7½+7½=15
- (a) Principal agent problems
- (b) Adverse selection

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