

2018

( October )

ECONOMICS

( Elective/Honours )

( Introductory Economic Theory )

Marks : 75

Time : 3 hours

The figures in the margin indicate full marks for the questions

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

UNIT—I

1. Discuss the various types of elasticity with suitable diagram. How is price elasticity measured by point method? 7+8=15
2. How does the consumer maximize his satisfaction through ordinal utility approach? Examine how ordinal utility approach is superior to cardinal utility approach. 8+7=15

D9/4

( Turn Over )

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UNIT—II

3. Explain the various types of cost curves with suitable diagram. Explain the relationship between AFC, AVC, AC and MC with illustration. 7+8=15
4. What is production function? What are the various types of production function? Distinguish between returns to a factor and returns to a scale with suitable examples. 8+7=15

UNIT—III

5. Define monopoly. What are the characteristics of monopoly? How is price determined in monopoly during short and long periods? 2+4+9=15
6. Distinguish between gross interest and net interest. Explain the loanable fund theory of interest. What are its limitations? 4+8+3=15

UNIT—IV

7. Distinguish between the following : 5×3=15
  - (a) GDP and GNP
  - (b)  $NNP_{MP}$  and  $NNP_{FC}$
  - (c) Personal Income and Disposable Income

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8. What is green accounting? In what manner green accounting has improved measurement of national income? 3+12=15

UNIT—V

9. Explain the classical theory of employment. What are its limitations? 10+5=15
10. Explain the concept of consumption function and saving function. Examine the equality of saving and investment. 9+6=15

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