

Write the following information in the first page of Answer Script before starting answer

ODD SEMESTER EXAMINATION: 2020-21

Exam ID Number _____

Course _____ Semester _____

Paper Code _____ Paper Title _____

Type of Exam: _____ (Regular/Back/Improvement)

Important Instruction for students:

1. Student should write objective and descriptive answer on plain white paper.
2. Give page number in each page starting from 1st page.
3. After completion of examination, Scan all pages, convert into a single PDF, rename the file with Class Roll No. **(2019MBA15)** and upload to the Google classroom as attachment.
4. Exam timing from 10am - 1pm (for morning shift).
5. Question Paper will be uploaded before 10 mins from the schedule time.
6. Additional 20 mins time will be given for scanning and uploading the single PDF file.
7. Student will be marked as ABSENT if failed to upload the PDF answer script due to any reason

BACHELOR OF COMMERCE
FIRST SEMESTER
MICRO ECONOMICS
BCM-105

Duration : 3 hrs.

Full Marks: 70

(PART-A: Objective)

Time : 20 min.

Marks : 20

Choose the correct answer from the following:

1X20=20

1. Microeconomics studies_
 - a. Resources distribution in production of commodities
 - b. Commodity distribution among people
 - c. How smoothly they are distributed
 - d. All of the above
2. As per whom economics is “the science of wealth”
 - a. Alfred Marshall
 - b. Marx
 - c. Adam Smith
 - d. JS Mill
3. In the real world, full employment is not real but ____
 - a. unreal
 - b. exception
 - c. employment
 - d. analysis
4. Microeconomics is the key of ____economical analysis
 - a. unreal
 - b. full
 - c. exceptional
 - d. successful
5. The term *statics* and *dynamics* was first introduced in economics by ____
 - a. August Comte
 - b. Ragnar Frisch
 - c. JS Mill
 - d. Alfred Marshall
6. JM Keynes theories are based on the concept of ____
 - a. Comparative statics
 - b. Statics
 - c. Dynamics
 - d. None of the above
7. Under stable equilibrium,
 - a. there is tendency for the object to revert to the original position
 - b. tendency for the object to assume newer position
 - c. Can never influence the original position
 - d. All of the above
8. General equilibrium condition is ____
 - a. Propounded by Leon Walras
 - b. Interdependence of all markets
 - c. The study of behavior of economic variable taking account of the interaction between those variables
 - d. All of the above
9. Market is an institutional arrangement having_
 - a. Only physical place
 - b. Only virtual place
 - c. Both physical and virtual place
 - d. Not always institutional

10. The following are the types of imperfectly competitive market_
- Monopoly and monopolistic competition
 - Oligopoly
 - Duopoly
 - All of the above
11. Which of the following market has a distinguishing feature of having character of “number of firms” and “ease of entry” is concerned?
- Perfect competition
 - Monopolistic competition
 - Oligopoly
 - Both monopolistic and oligopoly
12. Inverse price-quantity relationship is__
- Law of demand
 - Demand
 - Both A and B
 - None of the above
13. Adam Smith advocates for__
- Laissez fair
 - No government intervention
 - Invisible hand
 - All of the above
14. Indifference curve analysis is a tool to measure__
- Consumer’s choice
 - Consumer’s preferences
 - Budget constraint
 - All of the above
15. Cardinal utility is not_
- An actual index
 - Ranks like 1st, 2nd and 3rd
 - Cardinal values like 1,2,3
 - Specific values or numbers
16. Which of the following is not a property of Indifference Curves(IC)?
- Consistency of choice
 - Negative slope
 - Higher IC shows higher satisfaction
 - IC do not intersect
17. Marginal Rate of Substitution is _
- Rate at which one good can be substituted for another
 - Diminishes along IC
 - Ratio of marginal utilities
 - All of the above
18. Indifference Curve is L-shaped when__
- Both good X and Y are complements
 - Both good X and Y are substitutes
 - Giffen goods
 - Good X is normal, good Y is neutral
19. TC curve and TVC curve are_
- U shaped
 - Inversely S-shaped
 - Bell shaped
 - Horizontal straight line
20. A firm maximizes its profit at the level of output where,
- TR=TC
 - AR=AC
 - MR=MC
 - TC=MC

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(PART-B : Descriptive)

Time: 2 HRS 40 MINS

Marks : 50

[Answer question no.1 & any four (4) from the rest]

1. Mention the difference between micro and macro economics. Describe the dependencies of micro over macro economics. Also Explain the concepts of statics, dynamics and comparative statics in economics. 3+2+5=10

2. How AFC and AVC curves are derived? Explain it with the help of diagram. Also explain the nature of AC in the short run. How long run AC is derived? 5+2+3=10

3. Explain the relationship between AC and MC curves. Mention two differences between AC and MC curves. Define explicit cost, implicit cost, opportunity cost and sunk cost with the help of examples. 4+2+4=10

4. Define Indifference curves. Draw Indifference curves with an Indifference schedule. Explain the assumptions of Indifference curves. 2+3+5=10

5. Analyse three aspects of consumer behaviour in detail. Also explain the assumptions of preferences. 7+3=10

6. Define market in economics. Mention the divisions of market in economics. Also explain the distinguishing characteristics of different types of markets. 2+3+5=10

7. Define Consumers' surplus. Explain its measurement formula and diagram? Define producers' surplus. 2+6+2=10

8. **Explain the following concepts:** 2X5=10
 - a. Income consumption curve.
 - b. Engel curve.
 - c. Giffen Paradox
 - d. Cardinal and ordinal utility
 - e. Elasticity of demand

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