

RAMAKRISHNA MISSION VIDYAMANDIRA

(Residential Autonomous College under University of Calcutta)

B.A./B.SC. FIRST SEMESTER EXAMINATION, DECEMBER 2011

FIRST YEAR

ECONOMICS (General)

Date : 21/12/2011

Time : 11am – 2pm

Paper : I

Full Marks : 75

1. Answer **any ten** questions: 2x10
 - a) What is cross elasticity of demand?
 - b) Define 'inferior good'.
 - c) What is Price Consumption (PCC) curve?
 - d) What is iso-quant curve?
 - e) Why fixed cost is not included in the marginal cost in the production?
 - f) Indicate the shut down point of production of a firm under perfectly competitive market.
 - g) What do you mean by 'normal profit'?
 - h) What is price-discrimination?
 - i) Mention two features of oligopoly.
 - j) What is quasi-rent?
 - k) What is derived demand?
 - l) What is collective bargaining?
 - m) What is monopoly power?
 - n) Distinguish between gross profit and net profit.
 - o) Give definition of transfer-earning of a factor of production.

2. Answer **any three** questions: 5x3
 - a) Discuss the characteristics of indifference curves. 5
 - b) What do you mean by Production Function? Explain the concepts of total production (TP), average production (AP) and marginal production (MP) with the help of a diagram. 1+4
 - c) What are the features of a perfectly competitive market? 5
 - d) When price-discrimination is possible and profitable in a monopoly market? 5
 - e) Define profit. Distinguish between gross profit and net profit. 2+3

3. Answer **any four** questions: 10x4
 - a) What is price elasticity of demand? How do you measure price elasticity of demand? Explain the determinants of price elasticity of demand. 2+4+4
 - b) Derive consumer's equilibrium with the help of indifference curve analysis. 10
 - c) Why is the short-run average cost (SAC) curve U-shaped? 10
 - d) Explain the short-run equilibrium conditions of a firm under perfectly competitive market. Can a firm continue production in the short run though the firm incurs losses? 8+2
 - e) Discuss the price-output determination under monopoly. 10
 - f) What is economic rent? Explain the modern economic theory of rent. 2+8
 - g) Define trade union. When can a trade union raise both wage rate and employment? 2+8