

RAMAKRISHNA MISSION VIDYAMANDIRA

(Residential Autonomous College under University of Calcutta)

FIRST YEAR

B.A./B.SC. FIRST SEMESTER (July – December), 2011

Mid-Semester Examination, September, 2011

Date : 12/09/2011

ECONOMICS (Honours)

Time : 11 am – 1 pm

Paper : I

Full Marks : 50

(Use Separate answer scripts for each group)

Group –A

1. Answer **any five** questions : [5×5 = 25]
- a) Evaluate the law of demand in the Light of Veblen effect. [5]
 - b) Establish the relation MU Curve and Demand Curve. [5]
 - c) Does Walrasian stability necessarily imply Marshallian Stability? Explain your answer. [5]
 - d) Draw indifference curve with the help of the axioms of choice. [5]
 - e) Draw indifference map if— i) X is good & Y is bad. [5]
ii) X is good upto 5 units and Y is good upto 4 units. [2½+2½]
 - f) Derive the equilibrium if X & Y are perfectly substitute while $P_x = \text{Rs. } 1$ for first 10 units and $P_x = \text{Rs. } 2$ for the remaining units and $P_y = \text{Rs. } 2$ while $M = \text{Rs. } 100$ [Here, M = Money income of the consumer] [5]
 - g) Consider a Total Product Curve when only one factor is variable. Show how Marginal Product and Average Product can be derived from the Total Product Curve. Find thus the three stages of production. [5]
 - h) Explain how a production function with two (fixed) coefficients input ratios can be combined to produce output with other input ratios (convex combination). [5]

Group –B

1. Answer **any five** questions : [5×5 = 25]
- a) Define G.N.P. and G.D.P. Is the distinction between G.N.P and G.D.P significant? [5]
 - b) What adjustments are required to calculate disposable personal income from G.D.P? [5]
 - c) How far G.D.P can be considered as a measurement of economic well being? [5]
 - d) Examine how can unemployment arise from minimum wage laws. [5]
 - e) What is balanced budget multiplier? Find the value of balanced budget multiplier in a simple Keynesian Cross model. [5]
 - f) Define IS curve. Show how introduction of a proportional income tax influences the slope of IS curve. [5]
 - g) What is LM Curve? Why is it positively sloped?
 - h) Determine the value of the autonomous expenditure multiplier in a Keynesian cross model when—
 - i) $MPC = \cdot 5$
 - ii) $MPC = 1\cdot 5$ [2½+2½]