BANKURA UNIVERSITY

UG Semester-I   Examination --2020-21

Subject Name …Economics   Course ID | 1 | 1 | 6 | 1 | 1 |

Course Code …UG/ECO/101/C-1…………………………………… Group ………………..

Course Title …Introductory Micro & Macro Economics

Full Marks …40   Time allowed…2Hours

<u>The figure in the right hand side margin indicate marks</u>
<u>The questions are of equal value</u>

1. Answer any five of the following questions: **5 x 2 = 10**

a) What is a *Production Possibility Curve*?

b) Distinguish between *Micro Economics* and *Macro Economics.*

c) What are the *Fundamental Economic Questions*?

d) Define Total Utility and Marginal Utility.

e) What is meant by *Market Equilibrium*?

f) Distinguish between *Marginal Cost and Average Cost*.

g) Distinguish between *GDP at Market Price* and *GDP at Factor Cost*.

h) Define *Inflation*.

2. Answer any four of the following questions: **4 x 5 = 20**

a) Define *Cross Price Elasticity of Demand*. On the basis of this concept distinguish between *Complementary* and *Substitute Goods.* [2+3=5]

b) Mention the factors responsible for an upward or rightward shift of the demand curve. Explain the comparative statics of market equilibrium when the demand curve shifts upwards, supply curve remaining the same. [2+3=5]

c) Derive the *Marshallian demand curve* from the Law of *Diminishing Marginal Utility*.

d) What is an *Indifference Curve*? Explain briefly its properties with the help of suitable diagrams. [1+4=5]

e) Describe the model of Circular Flow of Income for a closed economy without Govt. activities.

f) Discuss the limitations of using national and per capita income as a measure of economic welfare.

3. Answer any one of the following questions: **1 x 10 = 10**

a) Classify markets according to the criterion of the number of buyers and sellers in the market. Describe the basic features of a *Perfectly Competitive Market*. [4+6=10]

b) Define *Money*. What are M1 and M3? Describe the various functions of money. [2+2+6=10]