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( 1st Semester )

**ECONOMICS**

Paper No. : ECO-101

**( Microeconomics—I )**

( New Course )

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

( PART : B—DESCRIPTIVE )

( Marks : 45 )

*The figures in the margin indicate full marks  
for the questions*

UNIT—I

1. (a) What is economics? Discuss the Marshallian definition of economics. What are its limitations? 2+7=9

Or

- (b) What is elasticity of supply? Explain the factors determining elasticity of supply. 3+6=9

UNIT—II

2. (a) Critically discuss Marshallian concept of consumer surplus. 9

Or

- (b) What is indifference curve? Explain the properties of indifference curve with the help of diagram. 2+7=9

UNIT—III

3. (a) What is short-run production function? Explain law of variable proportion with diagram. 3+6=9

Or

- (b) What is meant by least combination of input in production? Explain how a producer achieves least combination of input. 3+6=9

UNIT—IV

4. (a) Explain how long-run average cost (LAC) is derived from short-run average costs (SACs) curves. 9

( 3 )

*Or*

- (b) Explain the following concepts of cost with the help of diagram : 9
- (i) Average fixed cost (AFC)
  - (ii) Average variable cost (AVC)
  - (iii) Average total cost (ATC)
  - (iv) Marginal cost (MC)

UNIT—V

5. (a) Distinguish between individual and social welfare. Discuss the role of value judgement in welfare economics. 4+5=9

*Or*

- (b) Critically examine the basic conditions of Pareto optimality criterion. 9

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