

Ba/EC3.CC5



2 0 2 5
(FYUGP)
(3rd Semester)

ECONOMICS
(MAJOR)

Paper Code : EC3.CC5

(Intermediate Microeconomics—I)

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

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

Answer **five** questions, taking **one** from each Unit

UNIT—I

1. Explain the utility maximization problem in the two-good case. Illustrate with a diagram how a consumer attains equilibrium. 15
2. State and explain the properties of expenditure function. 5+10=15

(2)

UNIT—II

3. Explain Slutsky's substitution effect. 15
4. Distinguish between compensated demand curve and ordinary demand curve. How are they derived? 5+10=15

UNIT—III

5. State the properties of isoquant with the help of diagram. 15
6. Discuss the concept of returns to scale. Differentiate between increasing, constant and decreasing returns to scale with diagrams. 3+12=15

UNIT—IV

7. Discuss the relationship between short-run and long-run average cost curves. Why is the long-run average cost curve called an envelope curve? 12+3=15
8. Compare the traditional U-shaped LAC with modern L-shaped LAC. 15

(3)

UNIT—V

9. Explain the marginal productivity of labour. 15
10. Explain the relationship between value of marginal product (VMP) and marginal revenue product (MRP). Which is more relevant in an imperfect market? 12+3=15

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