

(Following Paper ID and Roll No. to be filled in your Answer Book.

PAPER ID : 9303

Roll
No.

--	--	--	--	--	--	--	--	--	--

Int. LLB Examination 2014-15

(First Semester)

MICRO ECONOMICS

Time : 3 Hours]

[Maximum Marks : 100

Note :- (i) The question paper contains three sections A, B and C

(ii) All sections are compulsory.

(iii) Section A carries 20 marks, section B carries 30 marks and section C carries 50 marks.

SECTION - A

1. Fill in the blanks. All parts are compulsory. $20 \times 1 = 20$

(a) When demand rises due to fall in price, it is called of demand.

(b) When output is zero, total cost equals cost.

(c) When there is only one seller in a market, it is called a market.

[P. T. O.

- (d) The difference between what we would pay and what we have to pay is called
- (e) The law of variable proportions deals with the run.
- (f) Perfectly inelastic demand curve is parallel to the axis.
- (g) There is freedom of entry and exit in
- (h) The full name of MRTS is
- (i) An improvement in production technology will increase the of the commodity.
- (j) Normal profit is the part of
- (k) The term administered prices was introduced by
- (l) In short run, there is a distinction between and costs.
- (m) Indifference curve was invented by
- (n) The Marginal Rate of substitution between two normal goods is always
- (o) An inferior good is one for which the income effect is

- (p) An Engel curve shows the relationship between and
- (q) When input-output relationship is expressed in the form of an equation, it is called
- (r) The advertising sales ratio (ASR) is used to measure the of advertising for a product.
- (s) Planning curve is the another name of
- (t) Industry is a group of firms producing

SECTION - B

Note :- Answer any three questions out of five : $3 \times 10 = 30$

2. Explain how demand curves slope downwards to the right?
3. What is indifference curves? What are their properties?
4. What do you understand by "L" shaped cost curve? What does it indicate?
5. Is profit an important source of investment? Distinguish between accounting profit and economic profit.
6. What is 'Expansion Path'? Does it show change of price or change of outlay? Explain.

[P. T. O.]

SECTION - C

Note :- All questions are compulsory. $12\frac{1}{2} \times 4 = 50$

7. (a) What do you understand by Elasticity of Demand?
How would you measure it?

OR

- (b) What is the meaning of 'Consumer's Equilibrium'?
Explain how the consumer reaches equilibrium
in terms of indifference curve analysis?

8. (a) Explain the law of variable proportions with the
help of Iso-quants.

OR

- (b) Critically evaluate Revealed Preference Theory.

9. (a) What is the relationship between Average Cost
(AC) and Marginal Cost (MC)? Why are they 'U'
shaped?

OR

- (b) Discuss the role of Revenue Curves in price
analysis. Why does a firm's marginal revenue
(MR) coincide with average revenue (AR) under
perfect competition?

10. (a) What do you understand by External Economics of scale? How do they become diseconomies?
- (b) What is perfect competition? Discuss the conditions long-run equilibrium of an industry under perfect competition.

