2 0 2 2

(November)

ECONOMICS

(Elective/Honours)

(Introductory Economic Theory)

Marks : 75

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. Discuss various types of price elasticity of demand and measurement with suitable diagrams. Explain the relationship between price elasticity of demand and slope of the demand curve. 8+7=15

2. What are the basic assumptions of indifference curve analysis? Explain how the consumer attains equilibrium under indifference curve analysis. 5+10=15

UNIT—II

3. What is production function? Explain the concepts of returns to a factor and returns to scale.   5+5+5=15

4. Explain the derivation of the long-run agerage cost curve.   15

UNIT—III

5. What are the main features of a perfectly competitive market? Explain the equilibrium of a firm in the short-run perfect competition with suitable diagrams.   6+9=15

6. Critically explain the Loanable Funds Theory of Interest.   15

UNIT—IV

7. Explain different methods of measuring national income.   15

8. What is green accounting? What are the objectives of green accounting? How has green accounting improved measurement of national income?   5+5+5=15

UNIT—V

9. Discuss the Keynesian theory of income determination.   15

10. What is investment multiplier? Show the algebric derivation of investment multiplier (assuming a two-sector model). What will be the value of investment multiplier when (a) MPC = 0·8 and (b) MPC = 0?   3+8+4=15

★ ★ ★