

1/EH-16 (i) Syllabus-2017

2 0 2 4

(November-December)

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 at least one
from each Unit**

UNIT—I

1. (a) What is price elasticity of demand?
State the factors that determine the
price elasticity of demand. 3+5=8

- (b) Explain the relationship between
elasticity of demand and the slope of
the demand curve. 7

2. What is consumer's equilibrium? Explain
diagrammatically the consumer's equilibrium
with the help of indifference curve analysis.
3+12=15

(2)

UNIT—II

3. (a) What is meant by production function? State the differences between short-run and long-run production function. $3+4=7$

- (b) Given the total product (TP) and variable factor, labour (L), calculate the average product (AP) and marginal product (MP) from the following table. Graph and comment on the shape of the curves : 8

Units of Labour (L) :	1	2	3	4	5	6	7	8
Total Product (TP) :	20	50	90	120	140	140	130	124

4. (a) Differentiate between returns to a factor and returns to scale. 5
- (b) Define fixed cost and variable cost with diagram and examples. 5
- (c) Explain the relationship between average revenue and marginal revenue under perfect and monopoly market. 5

UNIT—III

5. State the features of perfect competition. Explain the short-run equilibrium of a firm under perfect competition. $6+9=15$
6. Discuss Keynes' liquidity preference theory of interest. What are its limitations? $10+5=15$

(3)

UNIT—IV

7. Discuss the income method and the expenditure method of measuring national income. $8+7=15$
8. What is green accounting? State the superiority of green accounting over the conventional method of measuring national income. What are its limitations? $4+5+6=15$

UNIT—V

9. What is effective demand? Explain how effective demand determines the level of employment in the economy. $3+12=15$
10. (a) Given the consumption function $C = 200 + 0.8Y$, determine the MPC, MPS and autonomous consumption. 6
- (b) Show the working of the investment multiplier when the change in investment is ₹100 crore and the $MPC = 0.8$. 9
