

*W(1st Sm.)-Microeconomics-I-G/  
(GE-1.1 Chg)/(Mod.I)/CBCS*



**Question Booklet Code – A**

**Roll No. ....**

**Registration No. ....**

**OMR Serial No. ....**

**2022**

**MICROECONOMICS-I — GENERAL**

**Paper : GE-1.1 Chg**

**(Module – I)**

**Full Marks : 40**

(A-7)

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14. একটি প্রতিযোগিতামূলক ফার্ম তবেই উৎপাদন করবে যদি

- (A)  $P =$  সর্বনিম্ন AVC (B)  $P >$  সর্বনিম্ন AVC  
(C)  $P <$  সর্বনিম্ন AVC (D)  $P \geq$  সর্বনিম্ন AVC

15. পূর্ণাঙ্গ প্রতিযোগিতামূলক বাজারে কোনো একটি ফার্মের নিম্নলিখিত তথ্য দেওয়া আছে।

Q	1	2	3	4	5	6
AVC	20	18	16	18	20	22
AC	380	198	136	108	192	202

‘উৎপাদন বন্ধের’ স্তর এবং ‘আয়-ব্যয় বন্ধের’ স্তরে উৎপাদন হল (একটি অনুমানকৃত উপযুক্ত মূল্যস্তরে) :

- (A)  $Q = 6$  এবং 5 (B)  $Q = 3$  এবং 4  
(C)  $Q = 4$  এবং 3 (D)  $Q = 5$  এবং 6.

[ English Version ]

*The figures in the margin indicate full marks.*

**Group - A**

Answer the following questions.

1×10

1. Which of the following statements is not true?

- (A) Indifference curve slopes downward from left to right  
(B) Lower indifference curve indicates lower level of satisfaction  
(C) Indifference curve is concave to the origin due to diminishing MRS  
(D) Indifference curve is convex to the origin due to diminishing MRS.

2. If the equation of the budget line is given by  $51 = 2x + 5y$  where  $x$  and  $y$  are the units of  $X$  and  $Y$  consumed respectively, then the slope of the budget line will be

- (A)  $-2/51$  (B)  $-2/5$   
(C)  $-5/51$  (D)  $+5/2$ .

**Please Turn Over**

3. If total revenue earned by a firm for 40 units of output is ₹ 200, the average revenue of the firm :  
(A) ₹ 20 (B) ₹ 80  
(C) ₹ 25 (D) ₹ 5.
4. When average product (AP) of a factor is maximum?  
(A) Marginal product (MP) should be equal to Average product (AP)  
(B) Marginal product (MP) should be greater than Average product (AP)  
(C) Marginal product (MP) should be lesser than Average product (AP)  
(D) Marginal product (MP) curve should be negatively sloped.
5. Which of these curves is not relevant in the long run time period of production?  
(A) Marginal Cost (B) Average Variable Cost  
(C) Average Cost (D) Total Fixed Cost.
6. If the absolute value of elasticity of demand for a commodity is unity at every point on the demand curve, then the shape of the demand curve is  
(A) Vertical (B) Horizontal  
(C) U-shape (D) Rectangular Hyperbola.
7. The vertical distance between total cost and total variable cost curve is  
(A) TVC (B) MC  
(C) TFC (D) AFC.
8. Which one of the following cost curve continuously falls with the increase in output?  
(A) AVC (B) MC  
(C) AFC (D) AC.
9. In a perfectly competitive market the price is always equal to  
(A) Average Revenue (B) Marginal Revenue  
(C) Both Average and Marginal Revenue (D) Minimum Average Variable Cost.
10. In a perfectly competitive market the total revenue curve of a firm will be  
(A) Negatively sloped (B) Positively sloped straight line through the origin  
(C) Horizontal (D) Vertical.

(A-9)

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**Group - B**

Answer the following questions.

2×15

1. Condition of consumer's equilibrium in case of Ordinal utility analysis
  - (A) Slope of IC = slope of budget line
  - (B)  $\frac{MU_x}{MU_y} = \frac{P_x}{P_y}$
  - (C) MRS = price ratio of two goods
  - (D) All of these.
  
2. Let the equation of the budget line is  $3x + 7y = 85$  where x and y are consumption of X and Y respectively. If the consumption of X is 5, what will be the consumption of Y?
  - (A) 10
  - (B) 21
  - (C) 5
  - (D) 7/3.
  
3. Which of the following statements is not true?
  - (A) If the demand curve is unit elastic, it should be a rectangular hyperbola
  - (B) In order to calculate Marginal Rate of Substitution total utility should remain same.
  - (C) If two goods are substitutes their cross price elasticity of demand is negative
  - (D) Some inferior goods violate law of demand.
  
4. AB is a straight line demand curve whose point A is on the vertical axis and point B is on the horizontal axis. The respective price elasticities of demand at A and B are
  - (A) 0, 1
  - (B) 1, 0
  - (C) 0, infinite
  - (D) Infinite, 0.
  
5. Which one of the following is not responsible for change in demand for a commodity?
  - (A) An increase in consumer's preference for the commodity
  - (B) A decrease in the commodity's price
  - (C) An increase in consumer's income
  - (D) An increase in the price of the complementary good.
  
6. In an economy with two commodities 1 and 2 and fixed money income,  $MU_1 = 7$ ,  $MU_2 = 10$  and  $P_1 = 21$ . What will be the value of  $P_2$  at equilibrium?
  - (A) 30
  - (B) 17
  - (C) 28
  - (D) 42.

**Please Turn Over**

7. Consider a production function of the firm  $Q = K^2L^2$  with the marginal products,  $MP_K = 2KL^2$  and  $MP_L = 2LK^2$ . What is the  $MRTS_{LK}$  at the point where  $K = 5$  and  $L = 5$ ?
- (A) 5 (B) 1  
(C) 15 (D) 25.
8. A cost function is given by  $C = 6Q^2 + 15Q + 40$  where total cost and production of output is given by  $C$  and  $Q$  respectively. What is the value of Average variable cost when  $Q = 2$ ?
- (A) 27 (B) 67  
(C) 20 (D) 54.
9. Which of these information about expansion path is not true?
- (A) All the points on expansion path are producer equilibrium points  
(B) Expansion path always starts from the origin  
(C) The factor price ratio along the expansion path remains the same  
(D) Expansion path may not always start from the origin.
10. The price of the product of a firm under perfectly competitive market is ₹ 8. Consider the following information and find at what output level the firm can maximise its profit.

Q	5	6	7	8	9	10
TC	14	20	28	38	50	65

- (A) 6 (B) 7  
(C) 8 (D) 9.
11. Consider the following table and find the value of AFC and MC for 4 units of output

Output(Q)	0	1	2	3	4	5	6
TC	240	330	410	480	540	610	690

- (A) 60, 60 (B) 40, 60  
(C) 240, 80 (D) 60, 40.
12. Which one of the following is the characteristics of perfect competition?
- (A) It has a large number of buyers and sellers selling heterogeneous product at a uniform price  
(B) It has a large number of buyers and sellers selling homogeneous product at a uniform price  
(C) There is no free entry and exit for all the firms  
(D) It has a large number of buyers and sellers where the Government decides the price of the product.

(A-11)

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13. In the short run, a competitive firm at equilibrium can earn
- (A) Supernormal Profit (B) Normal Profit  
(C) Loss (D) All of these.
14. A firm under perfect competition will only produce if
- (A)  $P = \text{Minimum AVC}$  (B)  $P > \text{Minimum AVC}$   
(C)  $P < \text{Minimum AVC}$  (D)  $P \geq \text{Minimum AVC}$ .
15. The following data are provided for a particular firm under perfectly competitive market

Q	1	2	3	4	5	6
AVC	20	18	16	18	20	22
AC	380	198	136	108	192	202

At which output level will the firm have its 'Shut-down' and 'Break-even' point (assuming an appropriate price)?

- (A)  $Q = 6$  and  $5$  (B)  $Q = 3$  and  $4$   
(C)  $Q = 4$  and  $3$  (D)  $Q = 5$  and  $6$ .
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