

2025

BUSINESS ADMINISTRATION — HONOURS

Paper : BBAA-202-M2

(Microeconomics)

Full Marks : 75

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

Group - A

1. Answer *any ten* questions : 2×10
- (a) Mention any two exceptions of the law of demand.
 - (b) What is the law of marginal utility?
 - (c) Define isoquant.
 - (d) What is perfectly inelastic demand?
 - (e) What is the shape of short run marginal cost curve?
 - (f) What is Lerner index of monopoly power?
 - (g) Define income elasticity of demand.
 - (h) What is marginal physical product and marginal revenue product?
 - (i) What do you mean by break-even point?
 - (j) What is meant by marginal rate of technical substitution?
 - (k) Explain, in brief, 'substitution effect'.
 - (l) Mention the difference between accounting profit and economic profit.
 - (m) What is the shape of the demand curve under perfect competition?
 - (n) What is an oligopoly market?
 - (o) Mention two factors which directly affect the demand for labour.

Group - B

2. Answer *any five* questions : 5×5
- (a) State the relation between total utility and marginal utility.
 - (b) Mention the relation between price effect, income effect and substitution effect with the help of Hicksian process.

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- (c) What is the difference between shift of the demand curve and movement along the demand curve?
- (d) Why the demand curve under oligopoly is kinked?
- (e) Write a short note on output Expansion path.
- (f) Price elasticity of demand for a good is (-1) . At a price the consumer buys 60 units of the goods. How many units will the consumer buy if the price falls by 10 percent?
- (g) Why is the labour supply curve backward bending?
- (h) Distinguish between perceived and proportional demand curves faced by a representative firm under Monopolistic competition.

Group - C

Answer *any three* questions.

- 3. (a) 'Maximising output subject to a cost constraint and minimising cost subject to an output constraint leads to the same result.' Explain graphically.
- (b) How should a rational producer adjust the input combination if wage rate is ₹ 500, rental rate is ₹ 1000, marginal productivity of labour is 20 and marginal productivity of capital is 60? 8+2
- 4. (a) State and prove the properties of an indifference curve.
- (b) What is an income consumption curve? 8+2
- 5. (a) State four important assumptions of a Monopoly market form.
- (b) Compare the long run equilibrium outcome of a firm under perfect competition and a Monopoly firm. 2+8
- 6. (a) What is conjectural variation in case of oligopoly market form?
- (b) Explain the Cournot model of Oligopoly. 2+8
- 7. (a) Write a short note on Ridge lines.
- (b) What is Perfect Price discrimination?
- (c) What is Block Pricing Principle? 6+2+2