M.A. (PREVIOUS) EXTERNAL ANNUAL EXAMINATION 2001
"ECONOMICS". PAPER-1. (MICRO ECONOMICS.)

Time allowed: Three Hours.   **Max. Marks: 100**

Instructions: 1) Attempt any FIVE questions.

2) All questions carry equal marks.

3) Draw diagrams where ever necessary.

1-a) Define the term "EQUILIBRIUM" in Economics.   (06)

b) Distinguish between: (14)

i)   Stable and Unstable.

ii)   Partial and General Equilibrium.

2-a)   what is meant by "price Elasticity of Demand? How is it measured?   (14)

b) Describe the kinds of "elasticity of demand".   (6)

3.   Explain the difference between "perfect Competition" and "Monopoly", With respect of the following:

(a) The number of firms in the industry.

(b) Type of out put produced.

(c) The shape of demand curve.

(d) The entry and exit of firm from the industry.

(e) The condition of profit maximization in the short run.

4-a) State and explain the "Law of Diminishing Returns" with the help of a Schedule and a diagram.   (14)

b) Why is it especially applicable in Agricultural Sector?   (6)

5.   Differentiate between the following (Any FOUR)   (20)

(i)   "Income Consumption Curve" Price Consumption Curve".

(ii)   Expansion in Demand and Rise in Demand.

(iii)   Indifference Curve and Is quant.

(iii)   Short Run and Long Run.

(iv)   Implicit Cost and Explicit Cost.

(v)   Average Revenue and marginal Revenue.

6-a)   what is meant by "Consumer's Equilibrium"?   (6)

B) Prove with the help of a diagram that price Effect is the combination of "Income" and "Substitution Effect".   (14)

7-a)   Define "Monopolistic Competition" and explain its Characteristics.   (14)

b) Explain with the help of diagram the Equilibrium of a firm under "Monopolistic" in the "Long Run.
(10)

8.   Explain "Liquidity Preference theory of Interest" and compare it with "Classical theory".   (20)

9.   Write a detail note on two of the following:-

(a)   Price Discrimination.
(b) Game Theory.
c)   Marginal Rules of Welfare Economics.
d) Marginal Productivity Theory.