

**2019**

**ECONOMICS–I**

**Third Paper**

**Full Marks : 80**

*The figures in the margin indicate full marks.*

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

Answer **any two** questions.

1. State and explain the different definitions of Economics. Compare welfare definition with scarcity definition. 40
  2. What do you mean by price elasticity of demand? Explain the different kinds of price elasticity of demand with the help of figures. Discuss the factors of price elasticity of demand. 40
  3. State the law of supply. What are its exceptions? Why does the supply curve slope upward from left to right? 40
  4. State and explain the law of Variable Proportions. Distinguish between Law of Variable Proportions and Law of Returns to Scale. 40
  5. What are the characteristic features of perfect competition? Explain the short-run equilibrium of a perfectly competitive firm. 40
  6. Differentiate between fixed cost and variable cost. Show the relationship between average cost and marginal cost. Why are short-run average cost curves U-shaped? 40
  7. Critically discuss the Ricardian Theory of Rent. When does quasi rent arise? 40
  8. Distinguish between Money wages and Real wages. Discuss the Marginal Productivity Theory of Wages. 40
  9. Define Interest. Discuss the Liquidity Preference Theory of Interest. State the causes of differences in the rate of interest. 40
  10. Write short notes on **any two** of the following : 20×2
    - (a) Giffen's Paradox
    - (b) Features of a socialist economy
    - (c) Limits of the monopolist
    - (d) Profit maximisation as a business objective.
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