



14/12/2012

DOON UNIVERSITY, DEHRADUN
Semester Final Examination, First Semester, 2012
School of Social Sciences

M.Sc. Integrated Economics
Course: SSEI- 141: Microeconomic Theory-I

Time Allowed: 3 hrs.

Max. Marks: 50

Note: Attempt All Questions from Sections A,B,C.

SECTION: A

All questions are compulsory and carry equal marks. Word limit: 50 words

(Marks: 5x2=10)

1. Define an economic model with an example.
2. Mention two features of a Giffen good.
3. Define Elasticity of substitution.
4. What are the conditions of equilibrium for a firm in the product market?
5. Explain derived demand with an example.

SECTION: B

Answer any FOUR questions. Word limit: 250 words

(Marks: 4x5=20)

1. Differentiate between microeconomics and macroeconomics with suitable examples.
2. State the law of Diminishing Marginal Utility. Explain consumer's equilibrium as given by Marshall.
3. Explain why the demand curve slopes downward to the right.
4. Discuss the reason for the U-shape long run Average Cost curve with a suitable diagram.
5. Using a suitable diagram explain the determination of wages when the factor market and the product market both are under competitive market condition.
6. Point out the features of a perfectly competitive market.

SECTION: C

Answer any TWO questions. Word limit: 750 words

(Marks: 2x10=20)

1. What do you mean by scarcity and choice? Discuss the basic problems of an economy using examples.
2. Discuss the law of variable proportion. Which is the most critical stage and why? Use suitable diagram to explain your answer.
3. Using suitable diagram show that price effect is equal to the sum of substitution effect and income effect.