DOON UNIVERSITY, DEHRADUN

Final Semester Examination, 2023

Academic Year 2023-2024 (Odd Semester)

School of Social Sciences, Department of Economics

B.Sc. Economics 1st SEM

ECC-101 Foundation of Microeconomics -I

Time Allowed- 02:00 Hours   *Maximum Marks:* **50**

SECTION: A

Q1. Elucidate the principle of Diminishing Marginal Utility with an example, how it's different from Equi-marginal utility.   [5]

Q2. Explain by interpretations the relationship between Average product and Marginal product in the production theory?   [5]

SECTION: B

Q3. $P=100-0.5X, C_1=5X_1, C_2=0.5X_2^2$. Find equilibrium price and quantities and also the profits attained by the 2 firms.   [7]

Q4. Why the assumption of constancy of Marginal utility of money became one of the criticisms of Cardinal analyses?   [6]

Q5. State the difference between indifference curve and Iso-quant curve, how factors of production in the iso-quant curve would vary in the short run and the long run.   [7]

SECTION: C

Note: only 2 question to be attempted.

Q6. Elucidate the difference between Hicks and Slutsky Substitution Effect using diagrams.   [10]

Q7. Explain using diagram the 3 different stages of production, clearly stating in which stage a producer chooses to produce and why?   [10]

Q8. Validity of Marshall's equi-marginal utility depends on the assumption of unitary elasticity of the marginal utility curves of the commodities under the budget. Explain   [10]