



Doon University, Dehradun  
Mid-Term Examination, 2014  
School of Social Science  
M.A./M.sc Semester-I/7 (Economics)  
Course - SSE/SSEI-510  
Advanced Microeconomics-I

Time Allowed : 2hrs

Maximum Marks :30

**Section - A**

Attempt all questions

Marks:2x4 = 8

- Q.1 How can the situation of excess demand be tackled?
- Q.2 Describe Engel curve. Also discuss the shapes of Engel curve.
- Q.3 Define Laspeyres Index and Paasche Index. Also write formula for both.
- Q.4 Write short note on nature of utility curve.

**Section - B**

Attempt any two questions

Marks:2x6=12

- Q.1 Distinguish between Income consumption curve and Price consumption curve.
- Q.2 Compare Cardinal utility and Ordinal utility in relation to consumer's satisfaction condition.
- Q.3 Write short note on the following:-  
(a) Income - leisure curve  
(b) Price ceiling

**Section - C**

Attempt any one question

Marks:1x10 =10

- Q.1 Separate the substitution effect and income effect from price effect for an increase in price of a normal good by using Slutsky Equation.
- Q.2 (a) Is a cash aid better than food subsidy? If yes, then explain.  
(b) Examine the process of voluntary exchange by Indifference curve analysis?