Time -one hours   *full marks-20*

Answer any two questions   *10x2=20*

2) How is it possible to derive long-run marginal cost curve from the long run average cost curve? Explain graphically.

3) (a) Derive demand curve from PCC .

(b)Comment on the price elasticity of demand when PCC is (i)downward sloping and(ii) vertical straight line .

4) What is expansion path? "The expansion path generated by a linear homogeneous production function is a straight line passing through the origin".

5) Define elasticity of substitution .Derive elasticity of substitution for a CES production function .