Mathabhanga College
UG 1ˢᵗ Semester Internal Assesment Test-2023
Subject-Economics
Paper code-Major-1
Paper Name-Introductory Microeconomics

Time alloted-1 hour   Full marks-25
The figures in the margin indicate full marks

1. ***Answer any three from the following questions.***   3X3=9
a) What is the difference between shift of the demand curve and movement along the demand curve ?
b) What is the relation between AC and MC ?
c) Define cross elasticity and income elasticity of demand.
d) What are the properties of Indifference curve?
e) If the demand function is given as P=ax^b (a>0,b>0) obtain MR function.
f) Assume the demand function is q= 25-5p ,What will be the price elasticity of demand when p=3

2. ***Answer any one from the following questions.***   6X1=6
a) Discuss consumer's equilibrium with the help of indifference curve and budget line.
b) Show that Cobb Douglas production function satisfies Euler's theorem.
c) Establish the relationship between AR, MR and price elasticity of demand.

3. ***Answer any one from the following questions.***   10X1=10
a) Discuss the differences between cardinal and ordinal utility approach.
b) Derive elasticity of substitution for Cobb Douglas production function
c) Find the optimum commodity combination purchased by a consumer whose utility function and budget constraint are U=X^{2}y^2 and 4X +8Y=96 respectively.