

## BA-ECO: MAJ-01 Micro Economics

For Regular Students

Maximum Marks: 100  
Internal Assessment: 30 Marks  
External Assessment: 70 Marks

Pass Marks: 40 % of Maximum Marks\*  
(\*separately in Internal and External)  
Time Allowed: 3 Hours

### INSTRUCTIONS TO THE PAPER-SETTER

The question paper will consist of three sections: A, B and C. Sections A and B will have four questions each, carrying 12 marks each. Section C will be compulsory, consisting of 11 short-answer type questions, carrying 2 marks each (each to be answered in about 100 words) which will cover the entire syllabus uniformly.

### INSTRUCTIONS FOR THE CANDIDATES

Candidates are required to attempt five questions in all, selecting two questions from each of the Sections A and B, and the entire Section C

#### SECTION - A

**Meaning & Demand Analysis:** Meaning and Scope of Economics; Definition of Economics (Adam Smith, Marshall and Robbins). Theory of Demand and Consumer Behaviour: Utility Analysis and Indifference Curve Analysis; Consumer's Surplus and its measurement; Elasticity of Demand and its measurement.

**Theory of Production & Revenue:** Concept and types of Production Function, Laws of Returns to Scale and Law of Variable Proportions; Cost Concepts and Cost Curves in the Short and the Long Periods. Concepts of Revenue: Marginal Revenue, Average Revenue and Total Revenue and their Mutual Relationship. Average and Marginal Revenue Curves under Different Market Forms.

#### SECTION - B

**Market Equilibrium:** Price and Output Determination of the Firm and Industry under Perfect Competition, Monopoly and Monopolistic Competition in the short and long run.

**Theory of Distribution:** Functional versus Personal Distribution, Marginal Productivity Theory of distribution; Rent: Ricardian and Modern theories of rent; Wages: Demand for Labour and Supply of Labour, Subsistence Theory, Causes of Wage Differentials, Nominal and Real wages; Interest: Classical and Loanable Funds Theory of Interest; Profit: Risk and Uncertainty Theories.

#### RECOMMENDED READINGS

A. W. Stonier and D. C. Hauge: A Text Book of Economic Theory (Fourth edition) Part-I.

Koutsouyannis, A.:

*Modern Micro-Economics*, MacMillan, 1979

Stigler, G. J.:

*Theory of Price*, MacMillan, 1987.

Dean, J.:

*Managerial Economics*, PHI, 1988.

Mote, V. L., Paul Samuel & Gupta GS.:

*Managerial Economics*, Tata McGraw Hill Publishing Company Ltd 1994.

Henderson, J. M. & Guandt, R. B.:

*Micro Economic Theory: A Mathematical Approach*, McGraw Hi

Paul

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