

PRINCIPLES OF MICROECONOMICS

DSC- I & II

Module -I

What are indifference curve? What are the assumptions on which indifference curve analysis on demand is based?

Or

Explain why a consumer will choose a market basket so that Marginal rate of substitution (MRS) equal price ratio of the goods.

Module –II

What is Slutsky Substitution effect? Explain Slutsky Substitution effect for fall in price of good X.

Or

What consumer and producer surplus? Explain interpreting the change in consumer's surplus.

Module –III

What is isoquants? Why does an isoquant slope downward? Why are they convex to origin?

Or

What s linear Cobb- Douglas production function? What are its properties?

Module –IV

Derive long-run total cost curve from expansion path. How are average cost curve and marginal cost curve derived from total cost curve.

Or

What is the relation between average cost and marginal cost? If the marginal cost rising, dose it mean that average cost must it rising.

Module –V

Define nature and role of firm?

Or

Define profit function and its properties.