

9

Answer Key set 6. 58312  
FY Bsc - sem - I (paper no - II)  
Economics - II

Q 1. (A) Meaning of Indifference curve

- any IC schedule
- explain.

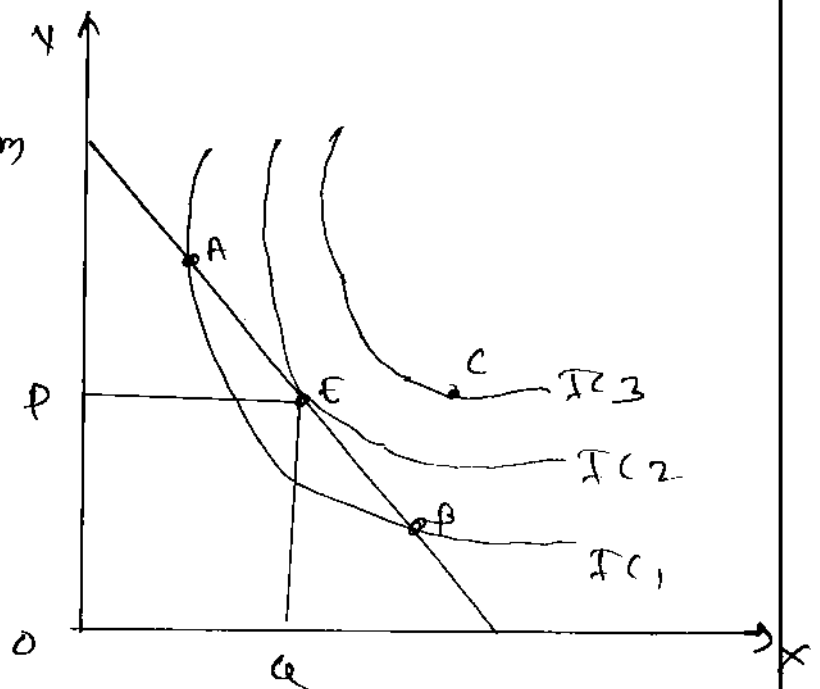


(B) Meaning of Income effect.

- Diagram - explain.

(C) Meaning of consumer equilibrium -

- Assumption
- explain
- consumer equilibrium diagram.



Q 2

(A) - Meaning of production function. 2  
- Features of production function.

(B) Meaning of Law of variable proportion -  
- any related table - diagram - explain.

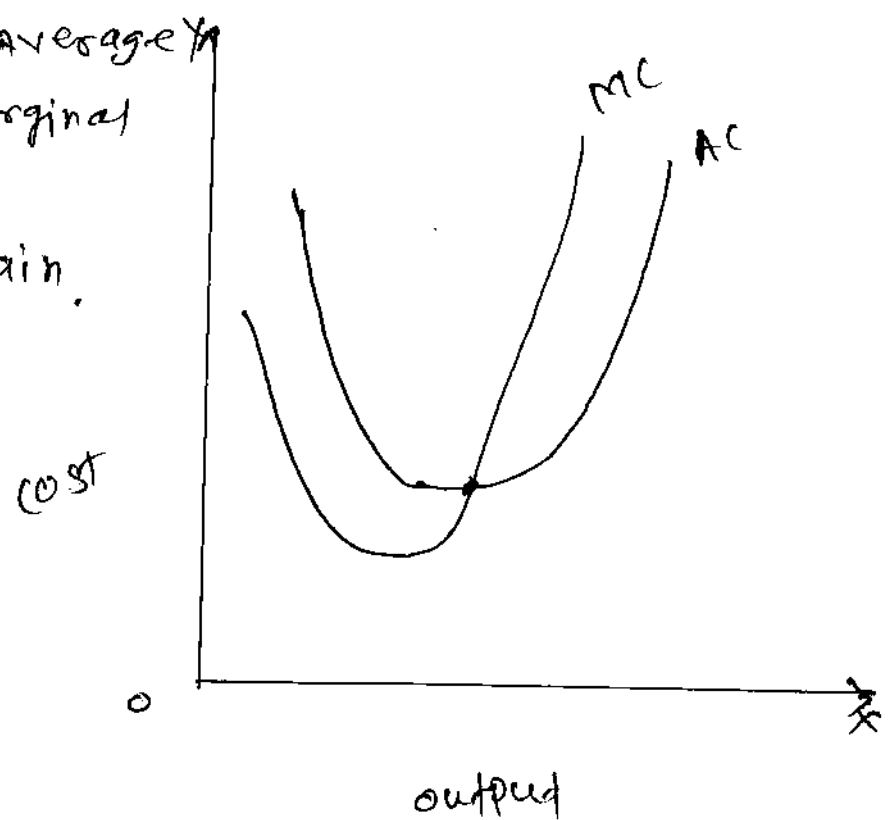
(C) - Meaning of ISO-quant curve - ~~any~~  
- Features of ISO-quant curve.

- ① ISO quant curve has negative slope
- ② ISO-quant curve is convex to origin
- ③ Two ISO-quant should not intersect each other.
- ④ ISO-quant - curve not be parallel
- ⑤ ISO-quant is oval in shape
- ⑥ Higher ISO-quant curve higher production.

Q 3

(A) Meaning of money cost and Real cost -  
Related examples.

(B) Meanings of Average cost (AC) and marginal cost (MC) -  
- relationship explain.



03

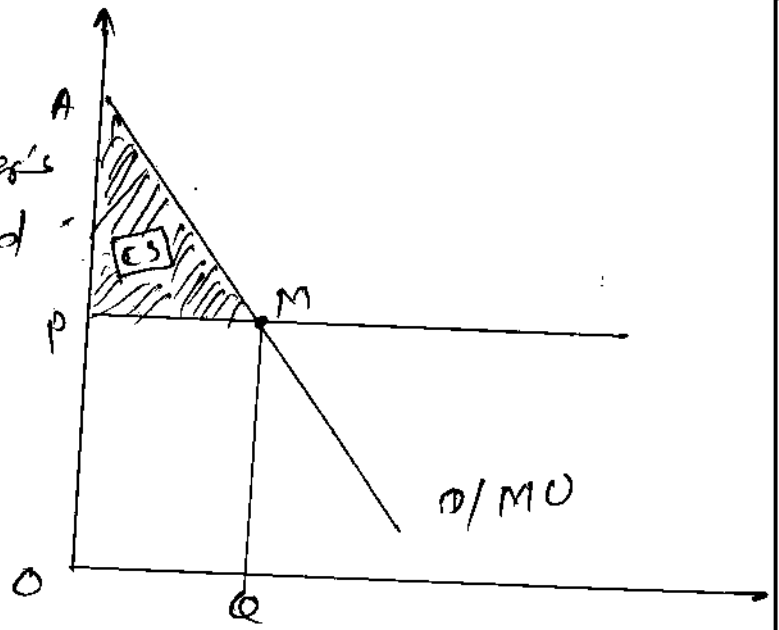
(C)

Units	TFC	TVC	TC	AFC	AVC	ATC	MIC
1	100	12	112	100	12	112	-
2	100	20	120	50	10	60	08
3	100	25	125	33.33	8.33	41.66	05
4	100	35	135	25	8.75	33.75	10
5	100	50	150	20	10	30	15
6	100	90	190	16.66	15	31.66	40
7	100	100	200	14.28	14.28	28.57	10

Q4

(A)

meaning of consumer's surplus - explain and any examples.  
- diagram.



(B) meaning of competitive market

- features
- ① large number buyer and seller
- ② monogeous goods
- ③ free entry and exit
- ④ market information etc.