Class Test
Course. BCom(p)
Section B
Paper: Principles of Microeconomics
Max Marks 10
02/11/2023
Teacher name: Anshu Chopra

Attempt all questions.

Q1 Draw and Explain the division of price effect into substitution effect and income effect for a normal good when the price of good Y falls.

OR

Define Indifference curve and explain the concept of marginal rate of substitution. What are the assumptions of Indifference curve analysis?   5

Q2 Define Average total cost Average Variable cost and marginal cost of a typical firm.Draw the curves and explain the reason for their U shape. Also explain why MC cuts ATC and AVC at their minimum.   5