Test – B.A.(H) Economics
Semester – 3

Dr. Shivani Gupta

Paper: Intermediate Microeconomics – I: Behavioural Foundations of Market Interactions

Date: 23/11/2023

Marks: 12

Answer all questions.

Q.1 $P_1 = 1$, $P_2 = 2$, $M = 100$.

(i) Plot budget line.
(ii) What is opportunity cost of 15 units of good 2?
(iii) How does rationing of good 2 at 25 units affect the budget constraint? Plot graph.
(iv) Plot budget constraint if consumer receives 2 units for first 4 units purchase of good 1.

(1+2+2+2 = 7 Marks)

Q.2 Find consumer optimal choice:
$P_1 = P_2 = 1$ & $M = 50$
$U(x_1, x_2) = x_1 x_2^2$

(5 Marks)

Gupta...