

2024

(FYUGP)

(2nd Semester)

ECONOMICS

(Major)

Paper Code : EC2.CC4

(**Mathematical Methods for Economics—II**)

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

Answer **five** questions, taking **one** from each Unit

UNIT—I

1. (a) Explain the different types of matrices with examples. 10

(b) Given

$$A = \begin{bmatrix} 2 & 3 \\ 8 & 1 \end{bmatrix} \text{ and } B = \begin{bmatrix} 7 & 5 & 2 \\ 4 & 8 & 1 \end{bmatrix}$$

find AB . 5

(2)

2. (a) Define rank of a matrix. Given

$$A = \begin{bmatrix} 2 & -3 & 4 \\ 1 & 4 & -5 \\ 3 & 1 & 6 \end{bmatrix}$$

find the rank of A. 1+4=5

- (b) Solve the following using Cramer's rule : 10

$$3x + 3y - z = 11$$

$$2x - y + 2z = 9$$

$$4x + 3y + 2z = 25$$

UNIT—II

3. Find the second-order of partial derivatives :

5×3=15

(i) $Z = 2x^2 + 5x^2y + xy^2 + y^2$

(ii) $Z = 12 - x^2 - y^2 + xy$

(iii) $Z = x^2 + 2xy + y^2$

4. Find the total differentiation (du) of the following functions :

5×3=15

(i) $6x^2 + 8y^2 - 0.3xy$

(ii) $(x^2 + y^2)(2x^2 - y)$

(iii) $\log(x^2 - y^2)$

(3)

UNIT—III

5. (a) Maximize the production function $y = x_1x_2$ subject to the budget constraint $x_2 = 6 - 2x_1$ using substitution method. 8

- (b) Show that the minimum value of $x^2 + y^2 + z^2$ subject to $x + y + z = 1$ is given by $x = y = z = \frac{1}{3}$. 7

6. A firm uses three inputs— K , L and R to manufacture good Q and faces the production function $Q = 50K^{0.4}L^{0.2}R^{0.2}$. It has a budget of ₹ 24,000 and can buy K , L and R at ₹ 80, ₹ 12 and ₹ 10 respectively per unit. What combination of inputs will maximize its output? 15

UNIT—IV

7. (a) State the first- and second-order conditions for maximization and minimization. 8

- (b) Examine $Y = 7 + 20x + 2x^2 - x^3$ for maximum and minimum values. 7

8. (a) If a firm faces the demand schedule $P = 53.5 - 0.7q$, what price will maximize profits, if its total cost schedule is $TC = 400 + 35q - 6q^2 + 0.1q^3$? 8

- (b) A firm uses 200000 units of a component in a year, with demand evenly spread over the year. In addition to the purchase price, each order placed for a batch of components cost ₹ 80. Each unit held in stock over a year costs ₹ 8. What is the optimum order size?

7

UNIT—V

9. Solve the following differential equations :

5×3=15

(i) $\frac{dy}{dx} = 3xy$

(ii) $3x^2 + 2x - 3y \frac{dy}{dx} = 0$

(iii) $(1 - x) dy - (1 - y) dx = 0$

10. (a) What is difference equation? Discuss the application of difference equation in economics.

2+8=10

- (b) Show that the solution of the difference equation $aY_{t+1} - bY_t = 0$ is given by

$$Y_t = \left(\frac{b}{a}\right)^t Y_0.$$

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