2019/TDC/ODD/SEM/ECOGE/ ECODSC–101T/063

TDC (CBCS) Odd Semester Exam., 2019

ECONOMICS

(1st Semester)

Course No. : ECODSC/ECOGE–101T

(Principles of Microeconomics—I)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

The figures in the margin indicate full marks for the questions

Answer **all** questions

UNIT—I

1. Answer any *four* questions from the following : 1×4=4

   (a) What is production possibility curve?

   (b) Define cross elasticity of demand.

   (c) What is market supply?

(Turn Over)

(2)

(d) State the law of demand.

(e) What is meant by 'choice' in economics?

2. (a) What are the determinants of demand? 2

Or

(b) State the exception to the law of demand. 2

3. (a) Distinguish between shifts in demand curve and movement a long demand curve. 4+4=8

Or

(b) Define price elasticity of demand and its different types. Discuss briefly the various methods of measuring price elasticity of demand. 1+4+3=8

UNIT—II

4. Answer any *four* questions of the following : 1×4=4

(a) What is budget constraint?

(b) What is the main difference between Hicksian and Slutsky substitution effect?

20J/**1096** (*Continued*)

(3)

(c) Who propounded the concept of consumer surplus?

(d) What is marginal utility?

(e) What is meant by consumer surplus?

5. (a) State the law of diminishing marginal utility. 2

Or

(b) Explain briefly the diamond-water paradox. 2

6. (a) Define indifference curve. What is the difference between indifference curve and indifference map? Explain five properties of indifference curve with proper diagrams. 2+1+5=8

Or

(b) Explain how the demand curve is derived from indifference curve and budget constraint. Show with the help of proper diagram. 8

20J/**1096** (*Turn Over*)

(4)

UNIT—III

7. Answer any *four* questions of the following :
    1×4=4

   (a) What is the shape of average cost?

   (b) What are the profit maximizing conditions of a firm?

   (c) How can we derive marginal revenue from total revenue?

   (d) Give one example of variable cost.

   (e) What is meant by economies of scale?

8. *(a)* What is the difference between short-run and long-run industry supply curves? 2

Or

   (b) Show the relationship between total cost, total fixed cost and total variable cost. 2

9. *(a)* Why long-run average cost curve is known as envelope curve of short-run average cost curves? Explain. 8

(5)

Or

   (b) Explain the difference between internal and external economies and diseconomies of scale. 8

UNIT—IV

10. Answer any *four* questions from the following : 1×4=4

   (a) Define isocost curve.

   (b) What is meant by production function in economics?

   (c) Which is the cost minimizing equilibrium condition?

   (d) Show the shape of isoquant with a proper diagram.

   (e) What are the factors of production?

11. *(a)* Write any two properties of isoquant. 2

Or

   (b) Explain the choice of technology. 2

(6)

12. (a) What is the difference between consumer's surplus and producer's surplus? Show with the help of a diagram how a producer can attain surplus in the market.   3+5=8

Or

(b) Show the difference between returns to factors and returns to scale. Critically explain the law of variable proportion with the help of suitable table and diagram.   3+5=8

UNIT—V

13. Answer any *four* questions from the following :   1×4=4

(a) What is the shape of long-run industry supply curve?

(b) State one assumption of perfect competition.

(c) Define market price.

(d) What is meant by 'revenue' in economics?

(e) What is constant cost industry?

(7)

14. (a) Distinguish between market price and normal price.   2

Or

(b) What is the difference between increasing and decreasing cost industries?   2

15. (a) Why does MR coincides with AR under perfect competition? How can a firm attain equilibrium under perfect competition in the short run? Discuss with the help of suitable diagram.   3+5=8

Or

(b) Discuss the conditions under which a perfectly competition firm attain— *(i)* normal profit, *(ii)* supernormal profit and *(iii)* incur loss. Can a perfectly competitive firm earn supernormal profit in the long run?   (2+2+2)+2=8

★ ★ ★