

**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?

(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?

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(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

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(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.

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(Continued)

(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

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(Turn Over)

(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?

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(Continued)

(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

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