TDC (CBCS) Odd Semester Exam., 2023

ECONOMICS

(5th Semester)

Course No. : ECOGE–501T

(**Principles of Microeconomics—I**)

<u>Full Marks : 70</u>
Pass Marks : 28

Time : 3 hours

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

SECTION—A

Answer *twenty* questions, selecting *four* from each
Unit :
$$1 \times 20 = 20$$

UNIT—I

1. Define opportunity cost.

2. State the law of demand.

(*Turn Over*)

(2)

3. What is an economic system?

4. Draw the shape of a production possibility curve.

5. What is the shape of perfectly elastic demand curve?

UNIT—II

6. Who has developed the concept of cardinal utility?

7. Define marginal utility.

8. What is a budget constraint?

9. Can marginal utility be negative?

10. Define MRS.

UNIT—III

11. Define variable cost.

12. Draw the shape of an average fixed cost curve.

13. What is the shape of an AC curve?

14. Define total revenue.

15. Mention one distinction between short run and long run.

(3)

UNIT—IV

16. What is MRTS?

17. Is returns to scale a short-run phenomenon?

18. Give two examples of variable input.

19. What is an isocost line?

20. Define a production function.

UNIT—V

21. What is the shape of AR curve under perfect competition?

22. Why does AR curve coincide with MR curve under perfect competition?

23. What is decreasing cost industry?

24. Draw the shape of TR curve in a competitive market.

25. What are called perfect substitute goods?

(4)

SECTION—B

Answer *five* questions, selecting *one* from each Unit :   2×5=10

UNIT—I

26. Point out two merits of a capitalistic economic system.

27. Write two assumptions of law of supply.

UNIT—II

28. Point out two assumptions of indifference curve analysis.

29. Mention two distinctions between cardinal utility and ordinal utility.

UNIT—III

30. Write down two relationships between TC and MC.

31. Why MC curve must cut AC curve from below at its lowest point?

(5)

UNIT—IV

32. Point out two importances of the theory of production.

33. Distinguish between fixed inputs and variable inputs.

UNIT—V

34. Point out two features of perfect competition.

35. Why does price remain constant under perfect competition?

SECTION—C

Answer *five* questions, selecting *one* from each Unit :   8×5=40

UNIT—I

36. Mention four determinants of individual demand. Diagrammatically explain why a production possibility curve is concave to the origin.   4+4=8

37. Explain the point elasticity method of measuring price elasticity of demand. Point out four determinants of price elasticity of demand.   4+4=8

UNIT—II

38. With the help of indifference curve analysis, derive demand curve for a commodity.

39. Write short notes on the following :   4+4=8

    (a) Diamond-water paradox

    (b) Consumers' surplus

UNIT—III

40. Discuss the natures of the following cost curves :   4+4=8

    (a) TFC, TVC and TC

    (b) AFC, AVC and AC

41. (a) Explain the relationship among AC, AVC and MC with the help of a diagram.

    (b) Discuss the process of deriving short-run supply curve of a industry.

               3+5=8

UNIT—IV

42. Explain the different features of isoquant.

43. Write short notes on :   4+4=8

    (a) Producers' surplus

    (b) Isocost lines

UNIT—V

44. Diagrammatically explain the long-run supply curve under decreasing cost industry.

45. Discuss firm's equilibrium during short run and long run under perfect competition.   4+4=8

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