

**2019/TDC/ODD/SEM/ECOHCC-101T/061**

**TDC (CBCS) Odd Semester Exam., 2019**

**ECONOMICS**

**( 1st Semester )**

Course No. : ECOHCC-101T

**( Introductory Microeconomics )**

Full Marks : 70

Pass Marks : 28

Time : 3 hours

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

Answer **two** short questions (2 marks) and  
**one** broad question (10 marks) from each Unit

**UNIT—I**

1. Answer any *two* of the following : 2×2=4

(a) How does scarcity govern economic choices?

(b) Devine economic efficiency.

(c) What are the main economic systems?

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2. (a) (i) What is economics? Why it is important to study economics? Give three reasons.  $2+3=5$
- (ii) Who introduced economics as a real science? Explain briefly how economics is related to science.  $1+4=5$

Or

- (b) Why are graphs used in economics? Explain with example, the use of line graphs and pie graphs in microeconomic analysis.  $2+4+4=10$

UNIT—II

3. Answer any two of the following :  $2 \times 2 = 4$
- (a) Define supply function.
- (b) What is arc elasticity?
- (c) How does competition affect the market?
4. (a) (i) Define cross elasticity of demand. How do we measure it?  $2+2=4$
- (ii) Show the nature of cross elasticity of demand for substitutes and complementary goods.  $3+3=6$

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Or

- (b) (i) What is price control? Why does control of prices of some commodities by the government become inevitable?  $2+2=4$
- (ii) Explain in brief the effects of price control on demand and supply of commodities with the help of a diagram. 6

UNIT—III

5. Answer any two of the following :  $2 \times 2 = 4$
- (a) Define slope of indifference curve.
- (b) Distinguish between normal good and inferior good.
- (c) What is price consumption curve (PCC)?
6. (a) Distinguish between budget line and budget space. Explain briefly consumer's equilibrium though scale of preferences.  $4+6=10$

Or

- (b) Illustrate the difference between the Hicksian and Slutsky methods of separating income and substitution effects of price change of a normal good. Which method gives, in your opinion, a better measure of the two effects and why?  $7+3=10$

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( Turn Over )



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UNIT—IV

7. Answer any two of the following :  $2 \times 2 = 4$
- (a) Define opportunity cost.
  - (b) Mention two features of imperfect competition.
  - (c) What is shutdown point of the firm?

8. (a) Show graphically the determination of profit maximizing equilibrium of discriminating monopolist. Is price discrimination socially desirable?  $7 + 3 = 10$

Or

- (b) (i) Distinguish between plant curve and envelope curve. 3
- (ii) Illustrate graphically the relationship between AFC, AVC, AC and MC. Why does AFC take the form of a hyperbola?  $5 + 2 = 7$

UNIT—V

9. Answer any two of the following :  $2 \times 2 = 4$
- (a) Mention two factors that affect the demand for demand for labour.

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- (b) Point out two characteristics of efficient land markets.
- (c) How are output and input related to productivity?

10. (a) What is MRP? What role does it play in the derivation of demand curve for a factor of production? Explain diagrammatically.  $3 + 7 = 10$

Or

- (b) Write short notes on the following :  $5 + 5 = 10$
- (i) Labour market equilibrium in a competitive market
  - (ii) Derivation of labour demand curve with factor demand interdependence.

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