2021/TDC/CBCS/ODD/ ECOHCC–101T/451

TDC (CBCS) Odd Semester Exam., 2021 held in March, 2022

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

SECTION—A

Answer any *ten* of the following questions : 2×10=20

1. Define economics.

2. What is an economic problem?

3. What are the main economic systems?

4. State two assumptions under which the demand curve of a consumer is drawn.

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5. Distinguish between supply and stock.

6. Define price elasticity of demand.

7. Distinguish between substitute goods and complementary goods.

8. What is diminishing rate of substitution?

9. State the meaning of consumer's budget constraint.

10. Distinguish between explicit and implicit costs.

11. What are economies of scale?

12. Give the meaning of optimum firm.

13. Define marginal productivity of labour.

14. Mention two factors that affect the labour market.

15. Distinguish between land market and labour market.

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SECTION—B

Answer any *five* of the following questions : 10×5=50

16. *(a)* What is economic efficiency? How can an economy achieve it?   2+4=6

    (b) Scarcity is the basis of all economic choices. Explain.   4

17. Why are graphs used in economics? Explain with examples the use of line graphs and pie graphs in microeconomic analysis.   2+4+4=10

18. *(a)* What is market demand? State any three determinants of market demand.   2+3=5

    (b) Give briefly the applications of elasticity of demand.   5

19. *(a)* What is producer's surplus? How can it be measured?   2+2=4

    (b) Analyze briefly the effects of ceiling price and floor price on producer's surplus.   3+3=6

20. Define consumer's equilibrium. Explain with the help of a diagram the consumer's equilibrium through scale of preferences.   2+8=10

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21. Distinguish between income effect and substitution effect. Explain briefly the superiority of indifference curves analysis over the utility analysis. 4+6=10

22. (a) Distinguish between plant curve and envelope curve. 3

(b) Illustrate graphically the relationship between AFC, AVC, AC and MC. Why does AFC take the form of a hyperbola? 5+2=7

23. (a) Explain clearly the relationship between AR, MR and price elasticity of demand. 5

(b) Does a firm maximise its total revenue when it maximises its total profit? Explain briefly. 5

24. (a) What is derived demand? How does labour fit into derived demand? 2+3=5

(b) What is input productivity? How is productivity being measured? 2+3=5

25. Write short notes on the following : 5×2=10

(a) Wage determination in competitive labour market

(b) Importance of public policy in labour market

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