

**2020/TDC (CBCS)/ODD/SEM/  
ECOHCC-101T/451**

**TDC (CBCS) Odd Semester Exam., 2020  
held in March, 2021**

**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**

1. Answer any *ten* of the following questions :

2×10=20

(a) Mention two factors that cause scarcity.

(b) Define economic efficiency.

(c) What is economic system?

(d) State two uses of graphs in economic analysis.

- (e) Point out two factors that shift the demand curve to the left.
- (f) Distinguish between individual demand and market demand.
- (g) Mention two assumptions of law of supply.
- (h) What is producer's surplus?
- (i) Distinguish between cardinal utility and ordinal utility.
- (j) State the two conditions of consumer's equilibrium in case of a single commodity.
- (k) Mention two assumptions of substitution effect.
- (l) Why does an indifference curve slope downward from left to right?
- (m) Distinguish between short-run period and long-run period.
- (n) What are the two conditions of equilibrium under perfect competition?
- (o) Why is the monopoly firm called a price-maker?
- (p) Why are average revenue (AR) and marginal revenue (MR) equal under perfect competition?

- (q) What is derived demand?
- (r) Mention two factors that cause shift in input demand curves.
- (s) Distinguish between marginal product of labour ( $MP_L$ ) and marginal revenue product of labour ( $MRP_L$ ).
- (t) Why is price for land market demand determined?

SECTION—B

Answer any five questions

2. Define economics. Discuss in brief the scope and method of economics.  $2+8=10$
3. Explain the central problems of an economy. Why do they arise?  $7+3=10$
4. Distinguish between movement along same demand curve and shift in demand curve. Show graphically how market demand can be derived from individual demand curve.  $3+7=10$
5. What does consumer surplus measure? How is it calculated? Discuss briefly the importance and limitations of consumer's surplus.  $2+2+3+3=10$
6. Define indifference curve. Explain the properties of indifference curve.  $2+8=10$

( 4 )

7. Write short notes on the following : 5+5=10
- (a) Derivation of demand curve from indifference curves
- (b) Relationship between price effect, income effect and substitution effect
8. Distinguish between fixed cost and variable cost. Discuss in brief the derivation of long-run average cost curve (LAC) and long-run marginal cost curve (LMC). 2+8=10
9. State three features of perfectly competitive market. Discuss the concept of excess capacity under monopolistic competition with diagram. 3+7=10
10. What is input demand curve? Explain how changes in input market affect firm's cost of production. 3+7=10
11. Describe how individuals make their labour supply decisions and how this can lead to a backward bending labour supply curve. 4+6=10

\*\*\*