

2018/TDC/ODD/ECOC-101T/042

TDC (CBCS) Odd Semester Exam., 2018

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 : $2 \times 2 = 4$

- (a) Define microeconomics.
- (b) Point out two features of scarcity definition of economics.
- (c) State two points of significance of studying economics.

(2)

2. (a) (i) Discuss the scope of economics.

(ii) What are the two methods of investigation that can be adopted for exploration in economic analysis? How can these methods be integrated? $5+2+3=10$

Or

(b) Discuss the central problems of an economy. Explain briefly the factors that lead to an economic problem. $5+5=10$

UNIT—II

3. Answer any two of the following : $2 \times 2 = 4$

(a) Mention two determinants of individual demand.

(b) What is consumer's surplus?

(c) Give two causes of a leftward shift of supply curve.

4. (a) Distinguish between market demand schedule and market supply schedule. Explain how a market demand curve is derived from individual demand curves. $4+6=10$

(Continued)

(3)

Or

(b) Explain the concept of producer's surplus with the help of a diagram. What is the relationship between total surplus (aggregate of producer and consumer surplus) and economic efficiency? $5+5=10$

UNIT—III

5. Answer any two of the following : $2 \times 2 = 4$

(a) What is marginal rate of substitution?

(b) Mention two assumptions of indifference curve analysis of consumer's equilibrium.

(c) What is budget constraint? Write down the equation of a budget line.

6. (a) (i) Distinguish between income effect and substitution effect.

(ii) Show price effect is the sum of the income effect and the substitution effect. $3+7=10$

Or

(b) What is indifference curve? Discuss its properties. $2+8=10$

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(Turn Over)

(4)

UNIT—IV

7. Answer any two of the following : $2 \times 2 = 4$

- (a) Give two reasons for the emergence of monopoly.
- (b) Differentiate between explicit costs and implicit costs.
- (c) Define anti-trust policy with the help of an example.

8. (a) How can LAC (long-run average costs) be derived from the SAC (short-run average costs)? Why is LAC curve U-shaped? $7+3=10$

Or

(b) Explain the conditions leading to maximization of profits by a producer using—

(i) marginal cost and marginal revenue approach;

(ii) total cost and total revenue approach. $5+5=10$

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(Continued)

(5)

UNIT—V

9. Answer any two of the following : $2 \times 2 = 4$

- (a) Distinguish between direct demand and derived demand.
- (b) In land market, why is the price of land demand determined?
- (c) Show the relationship between marginal product of labour (MP_L) and marginal revenue product of labour (MRP_L) with their meaning.

10. (a) What is competitive labour market? How are wages determined in a competitive labour market? $2+8=10$

Or

(b) Write short notes on the following : $5+5=10$

(i) Causes of shifts in labour demand curve

(ii) Public policy and the changing labour market

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