# 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 :          2×2=4

    (a) Define microeconomics.

    (b) Point out two features of scarcity definition of economics.

    (c) State two points of significance of studying economics.

2. *(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 :     2×2=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

*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 :     2×2=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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## UNIT—IV

7. Answer any *two* of the following :                2×2=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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## UNIT—V

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