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TDC (CBCS) Odd Semester Exam., 2019

ECONOMICS

(3rd Semester)

Course No. : ECOHCC-301T

(Intermediate Microeconomics—I)

Full Marks : 70
Pass Marks : 28

Time : 3 hours

The figures in the margin indicate full marks for the questions

Answer **all** questions

UNIT—I

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

(a) Explain the concept of utility in economics.

(b) Mention two limitations of indifference curve analysis.

(c) Define 'diminishing marginal rate of substitution'.

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2. *(a)* What is budget constraint? Explain consumer's equilibrium with the help of budget line and indifference curves. 2+8=10

Or

(b) Explain how Marshallian demand theorem can be derived with the help of revealed preference hypothesis. Mention two points of superiority of Samuelson's revealed preference on the earlier theories of demand. 8+2=10

UNIT—II

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

(a) Define Giffen goods.

(b) What is substitution effect?

(c) Define income-consumption curve.

4. *(a)* Explain price effect with the help of a diagram. Draw price-consumption curve with the help of indifference curves and price line assuming that the price of good *X* changes and that of *Y* remains the same. 5+5=10

Or

(b) Define inferior goods. Explain with figures the price-demand relationship for an inferior good. 2+8=10

UNIT—III

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

(a) What is opportunity cost?

(b) Define total variable cost (TVC).

(c) Define short run and long run.

6. *(a)* Define average variable cost (AVC) and average fixed cost (AFC). Explain the shapes of AVC and AFC curves with diagrams. (2+2)+(3+3)=10

Or

(b) Distinguish between average cost and marginal cost. Explain the relationship between AC and MC with the help of diagram. 4+6=10

UNIT—IV

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

(a) Define inputs and outputs.

(b) Mention two assumptions of the law of variable proportions.

(c) Define isoquants.

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8. *(a)* Define returns to scale. Discuss the different types of returns to scale with the help of diagrams. 2+8=10

Or

(b) Define marginal rate of technical substitution (MRTS). Explain the concept of MRTS between two variable inputs with the help of diagram. 2+8=10

UNIT—V

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

(a) Why is AR = MR in a perfectly competitive market?

(b) What is shut-down point?

(c) Define the concept of supply curve.

10. *(a)* Distinguish between firm and industry. Describe the objectives of a firm. 3+7=10

Or

(b) Explain the equilibrium of a firm under perfect competition both in short run and long run. 5+5=10

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