TDC (CBCS) Odd Semester Exam., 2023

ECONOMICS

(Honours)

(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_

SECTION—A

Answer _ten_ questions, selecting any _two_ from each
Unit :   2×10=20

UNIT—I

1. State the relationship between utility and value of goods.

2. Write any two important properties of indifference curve.

3. Mention two improvements of indifference curve over Marshallian utility analysis.

(_Turn Over_)

(2)

UNIT—II

4. What is price consumption curve?

5. Write two points of distinction between Giffen goods and inferior goods.

6. Why is the labour supply curve backward bending?

UNIT—III

7. Mention two key differences between explicit cost and implicit cost.

8. Define alternative cost. Give an example.

9. What is the nature of average fixed cost curve? Draw the curve.

UNIT—IV

10. Define technological progress. What are its types?

11. Mention two differences between returns to a factor and returns to scale.

12. What is elasticity of substitution?

(3)

UNIT—V

13. Mention any two characteristics of perfectly competitive market.

14. Distinguish between the concept of firm and industry.

15. Define decreasing cost industry.

SECTION—B

Answer *five* questions, selecting *one* from each Unit : 10×5=50

UNIT—I

16. Critically explain the revealed preference theorem. What are its important assumptions? 7+3=10

17. Show consumer's equilibrium with the help of indifference curve. How do you derive demand curve for a normal good using indifference curve? 5+5=10

UNIT—II

18. Compare and contrast the Hicksian method with the Slutsky method of decomposition of price effect using suitable diagrams. 10

19. Differentiate between ordinary demand curve and compensated demand curve. Explain how indifference curve can be used to indicate the supply curve of labour at different wage rates. 4+6=10

UNIT—III

20. Illustrate the relationship between (a) average total cost and average variable cost, and (b) marginal cost and average total cost. Derive the long-run average cost curve from the short-run average cost curves.

2+2+6=10

21. Explain the role played by technological improvement in shifting the input supply curves.

10

UNIT—IV

22. What are ridge lines? Illustrate with the help of isoquant, how a firm optimizes its output subject to a financial constraint.

3+7=10

23. Define production function and the marginal rate of technical substitution (MRTS). Why does the MRTS of the factors must equal the factor price ratio for the firm to optimize output?

2+2+6=10

UNIT—V

24. Discuss the short-run equilibrium conditions of the firm and industry.

10

25. What do you mean by supply curve of a competitive firm? Explain the derivation process of the supply curve of the firm and industry under perfect competition.

2+8=10

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