

2018/TDC/ODD/ECOG-101T/044

TDC (CBCS) Odd Semester Exam., 2018

ECONOMICS

(1st Semester)

Course No. : ECOGEC-101T/ECODSC-101T

(Principles of Microeconomics—I)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

UNIT—I

1. Answer any four questions of the following :

1×4=4

- (a) What is economics?**
- (b) Define scarcity.**
- (c) What is opportunity cost?**

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(Turn Over)

(2)

(d) Define market equilibrium.

(e) Write the meaning of the word 'capitalism'.

2. (a) What is elasticity of demand? Write one determinant of it. $1+1=2$

Or

(b) What is shift in demand curve? What is the shape of market demand curve? $1+1=2$

3. (a) What is economic system? Explain the various types of economic system. $2+6=8$

Or

(b) Explain the theory of law of demand with suitable diagram. Mention any three limitations of this law. $5+3=8$

UNIT—II

4. Answer any four questions of the following : $1 \times 4 = 4$

(a) Define utility.

(b) What is price line in economics?

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(Continued)

(3)

(c) Explain the meaning of the term indifference curve.

(d) Who invent the concept of water-diamond paradox?

(e) Give an example of time utility.

5. (a) Explain any two characteristics of indifference curve. 2

Or

(b) Define the concept of 'consumer surplus' with an example. 2

6. (a) Discuss the concept of income effects and substitution effects with suitable diagram. $4+4=8$

Or

(b) Explain the theory of law of diminishing marginal utility using proper diagram. Write any two assumptions of this law. $6+2=8$

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(Turn Over)

(4)

UNIT—III

7. Answer any *four* questions of the following :

1×4=4

- (a) Define cost of production.
- (b) What is marginal revenue?
- (c) Give an example of total fixed cost.
- (d) What is the shape of short-run industry supply curve?
- (e) What is profit maximization?

8. (a) Distinguish between fixed cost and variable cost.

2

Or

(b) Mention any two relations between average revenue and marginal revenue.

2

9. (a) Define economies of scale. What are the causes of economies and diseconomies of scale?

2+6=8

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(Continued)

(5)

Or

(b) What is the shape of long-run average cost curve? "Long-run average cost curve can be derived from the short-run average cost curves." Explain.

1+7=8

UNIT—IV

10. Answer any *four* questions of the following :

1×4=4

- (a) What do you mean by 'production' in economics?
- (b) What is production function?
- (c) What is choice of technology?
- (d) Define iso-quant.
- (e) Define returns to scale.

11. (a) Draw an iso-cost line assuming two factors of production.

2

Or

(b) What is producer's surplus?

2

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(Turn Over)

(6)

12. (a) Graphically explain the law of variable proportions. 8

Or

- (b) Explain in detail any four characteristics of iso-quant curve. 8

UNIT—V

13. Answer any four questions of the following :
1×4=4

- (a) Define market.
(b) What is the shape of demand curve under perfect competition market?
(c) What is the condition of equilibrium of a firm during long period under perfect competition market?
(d) What is increasing cost industry?
(e) What is normal price?

14. (a) What are the two basic conditions of equilibrium of a firm under perfect competition market? 2

Or

- (b) Why $P = AR = MR$ under perfectly competitive market? 2

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(Continued)

(7)

15. (a) What are the assumptions of perfectly competitive market? Illustrate the characteristics of perfectly competitive market. 4+4=8

Or

- (b) How do competitive firm and industry attain equilibrium during long period? Explain with the help of diagram. 8

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