2020/TDC (CBCS)/ODD/SEM/
ECOHCC–101T/451

TDC (CBCS) Odd Semester Exam., 2020
held in March, 2021

ECONOMICS

(1st Semester)

Course No. : ECOHCC–101T

(Introductory Microeconomics)

$$\frac{Full\ Marks\ :\ 70}{Pass\ Marks\ :\ 28}$$

Time : 3 hours

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

SECTION—A

1. Answer any *ten* of the following questions :

2×10=20

(a) Mention two factors that cause scarcity.

(b) Define economic efficiency.

(c) What is economic system?

(d) State two uses of graphs in economic analysis.

　　　　　　　　　　(Turn Over)

(**2**)

(e) Point out two factors that shift the demand curve to the left.

(f) Distinguish between individual demand and market demand.

(g) Mention two assumptions of law of supply.

(h) What is producer's surplus?

(i) Distinguish between cardinal utility and ordinal utility.

(j) State the two conditions of consumer's equilibrium in case of a single commodity.

(k) Mention two assumptions of substitution effect.

(l) Why does an indifference curve slope downward from left to right?

(m) Distinguish between short-run period and long-run period.

(n) What are the two conditions of equilibrium under perfect competition?

(o) Why is the monopoly firm called a price-maker?

(p) Why are average revenue (AR) and marginal revenue (MR) equal under perfect competition?

(**3**)

(q) What is derived demand?

(r) Mention two factors that cause shift in input demand curves.

(s) Distinguish between marginal product of labour (MP_L) and marginal revenue product of labour (MRP_L).

(t) Why is price for land market demand determined?

SECTION—B

Answer *any* **five** questions

2. Define economics. Discuss in brief the scope and method of economics.   2+8=10

3. Explain the central problems of an economy. Why do they arise?   7+3=10

4. Distinguish between movement along same demand curve and shift in demand curve. Show graphically how market demand can be derived from individual demand curve.   3+7=10

5. What does consumer surplus measure? How is it calculated? Discuss briefly the importance and limitations of consumer's surplus.   2+2+3+3=10

6. Define indifference curve. Explain the properties of indifference curve.   2+8=10

(4)

7. Write short notes on the following :   5+5=10

    (a) Derivation of demand curve from indifference curves

    (b) Relationship between price effect, income effect and substitution effect

8. Distinguish between fixed cost and variable cost. Discuss in brief the derivation of long-run average cost curve (LAC) and long-run marginal cost curve (LMC).   2+8=10

9. State three features of perfectly competitive market. Discuss the concept of excess capacity under monopolistic competition with diagram.   3+7=10

10. What is input demand curve? Explain how changes in input market affect firm's cost of production.   3+7=10

11. Describe how individuals make their labour supply decisions and how this can lead to a backward bending labour supply curve.
       4+6=10

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