**2020/TDC(CBCS)/ODD/SEM/
ECODSC/GE–101T/453**

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

ECONOMICS

(1st Semester)

Course No. : ECODSC/ECOGE–101T

(Principles of Microeconomics)

Full Marks : 70
Pass Marks : 28

Time : 3 hours

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

SECTION—A

Answer any *twenty* of the following questions :

1×20=20

1. What is an economic problem?

2. Define opportunity cost.

3. State the law of supply.

4. Define a mixed economy.

　　　　　　(*Turn Over*)

5. What is market equilibrium?

6. Mention one determinant of demand.

7. Draw the shape of a perfectly elastic demand curve.

8. Point out one reason for shift in supply.

9. Define total utility.

10. Who invented the diamond-water paradox?

11. Write down the equation of a budget line.

12. Why is the slope of an indifference curve always decreasing?

13. What is substitution effect?

14. Define an indifference curve.

15. Can two indifference curves meet each other?

16. What is a budget constraint?

(Continued)

17. Draw the shape of an average fixed cost curve.

18. Define marginal revenue.

19. What is break-even point?

20. Define economies of scale.

21. Draw the shape of a long-run average cost curve.

22. How is profit of a firm calculated?

23. The TC of a firm for 10 output is 50. If the firm produces 11 output then TC increases to 55. What is the value of MC?

24. Give one example of diseconomies of scale.

25. Define production.

26. Write the form of a short-run production function.

27. What is an isoquant?

28. Define marginal product of a variable factor.

(Turn Over)

(4)

29. What is capital intensive technology?

30. When total product is maximum, what will be the value of marginal product?

31. State the law of variable proportions.

32. Point out the main difference between an isoquant and an indifference curve.

33. What is the shape of the demand curve under perfect competition?

34. Define shutdown point of a firm.

35. What is a decreasing cost industry?

36. Why is a perfectly competitive firm price-taker?

37. Define normal profit.

38. Can long-run supply curve of an industry be horizontal?

39. Write one assumption of perfect competition.

40. Why are AR schedule and demand schedule same under perfect competition?

(5)

SECTION—B

Answer any *five* of the following questions : 2×5=10

41. Write two features of a production possibility frontier.

42. Point out two determinants of supply.

43. Why does an indifference curve never touch either axis?

44. Define the concept of consumer's surplus.

45. Distinguish between explicit cost and implicit cost.

46. What are the two conditions for profit maximization by a firm during short period?

47. Why is an isoquant convex to the origin?

48. Differentiate between returns to scale and returns to factor.

49. Why is AR = MR under perfect competition?

50. Point out two features of perfect competition.

SECTION—C

Answer any *five* questions

51. Define elasticity of demand. Write any three determinants of elasticity of demand. The market demand for a commodity at ₹ 4 is 100 units. The price rises and as a result its demand falls to 75 units. Find out the new price if the price elasticity of demand for the commodity is 1. 2+3+3=8

52. Distinguish between change in supply and change in quantity supplied. State four causes of rightward shift of supply curve. 4+4=8

53. Explain the law of diminishing marginal utility with suitable table and diagram. Mention three limitations of the law. 5+3=8

54. Discuss how a consumer attains equilibrium using indifference curve approach. (Use suitable diagram) 8

55. 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. 2+6=8

56. Distinguish between the economies and diseconomies of scale. Explain the factors that determine economies of scale of an industry. 4+4=8

57. Discuss the law of variable proportion with the help of a diagram. What are its limitations? 5+3=8

58. Explain with suitable diagram how least cost equilibrium condition is reached with isoquant and isocost lines. 8

59. How does a firm attain equilibrium under perfect competition during short run? 8

60. Explain with diagram the long-run industry supply curve under increasing cost and decreasing cost conditions. 8

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