

**TDC (CBCS) Odd Semester Exam., 2021
held in March, 2022**

ECONOMICS

(1st Semester)

Course No. : ECODSC/GE-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 meant by 'scarcity' in economics?
2. Define opportunity cost.
3. What is market demand?

(2)

4. Define price elasticity of demand.
5. Mention one determinant of supply.
6. What is budget constraint?
7. What is the difference between Hicksian and Slutsky substitution effect?
8. State the diamond-water paradox.
9. What is consumer choice?
10. What is meant by consumer surplus?
11. Define cost of production.
12. What is the shape of short-run industry supply curve?
13. Define average revenue.
14. Give an example of marginal cost.
15. What is meant by economies of scale?
16. What is production function in economics?

(3)

17. Define returns to scale.
18. What is choice of technology?
19. Define isocost curve.
20. Which is the cost minimising equilibrium condition?
21. Define market price.
22. What is the shape of long-run supply curve of an industry?
23. What is meant by supernormal profit?
24. Why is $AR = MR$ under perfect competition?
25. What is constant cost industry?

SECTION—B

Answer any five of the following questions : $2 \times 5 = 10$

26. Write two features of production possibility frontier.
27. State two exceptions to the law of demand.

(4)

28. Write two properties of indifference curve.
29. State the law of diminishing marginal utility.
30. What are the profit maximising conditions of a firm?
31. Show the relationship between total cost, total fixed cost and total variable cost.
32. Write two properties of isoquant.
33. What is producer's surplus?
34. Write two assumptions of perfect competition.
35. What are the two conditions of equilibrium of a firm under perfect competition market?

SECTION—C

Answer any *five* of the following questions : $8 \times 5 = 40$

36. What is an economic system? Explain the different types of economic system. $2+6=8$

(5)

37. Distinguish between shifts in supply and movement along a supply curve. $4+4=8$
38. Discuss the concept of income effects and substitution effects with suitable diagrams. $4+4=8$
39. Explain with the help of a diagram, how demand curve is derived from indifference curve and budget constraint. 8
40. Explain why long-run average cost curve is known as envelope curve of short-run average cost curves. 8
41. Explain the difference between internal and external economies and diseconomies of scale. 8
42. Critically explain the law of variable proportion with the help of suitable table and diagram. 8
43. Show with the help of a suitable diagram, how the least cost equilibrium condition can be reached with isoquant and isocost lines. 8

(6)

- 44.** Explain with the help of diagrams, how a firm can attain equilibrium under perfect competition both in the short-run as well as in the long-run. 4+4=8
- 45.** Show with the help of suitable diagrams, the long-run industry supply curve under increasing and decreasing cost conditions. 4+4=8

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