

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

ECONOMICS

(5th Semester)

Course No. : ECOGE-501T

(Principles of 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 any *twenty* of the following as directed :
1×20=20

1. What is opportunity cost?
2. State the law of demand.
3. What is market supply?
4. Define income elasticity of demand.

(Turn Over)

5. Give one example of cross elasticity of demand.
 6. What is cardinal utility?
 7. Define income effect.
 8. What is budget line?
 9. Define consumer's surplus.
 10. State the law of diminishing marginal utility.
 11. Define cost function.
 12. What is marginal cost?
 13. When total fixed cost is deducted from total cost, we get ____.
- (Fill in the blank)
14. Give one example of variable cost.
 15. What is marginal revenue?
 16. Define production function.
 17. What is return to scale?
 18. What is MRTs?

19. What is iso-cost line?
20. Mention one assumption of the law of variable proportion.
21. What is the nature of the product under perfect competition?
22. Under perfect competition, $AR = MR$.
(Write True or False)
23. What is break-even point?
24. What is output?
25. What is shutdown point under perfect competition?

SECTION—B

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

26. Write two determinants of price elasticity of demand.
27. What are the central problems of an economy?
28. What is diamond-water paradox?

(Turn Over)

29. Mention two assumptions of the law of diminishing marginal utility.
30. What is profit maximization? Mention the marginal principles of profit maximization.
31. What is short-run industry supply curve?
32. State the law of diminishing marginal product.
33. Define producer's surplus.
34. What is pure competition?
35. Define constant cost industry.

SECTION—C

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

36. Explain market equilibrium with the help of demand function and supply function. Discuss the effect of change in demand on market equilibrium. $4+4=8$
37. What is price elasticity of demand? Explain different degrees of price elasticity of demand with the help of suitable diagram. $2+6=8$

38. Explain consumer's equilibrium with the help of indifference map and budget line.
39. Explain the derivation of demand curve from indifference curve.
40. What is fixed cost? Explain the relationship between AC and MC. Distinguish between fixed cost and variable cost. $1+3+4=8$
41. What is economies of scale? Mention various sources of economies of scale. $2+6=8$
42. Discuss three types of returns to scale. Distinguish between returns to a factor and returns to scale. $3+5=8$
43. Explain the concept of iso-quant and iso-cost line. Explain diagrammatically the cost minimizing equilibrium condition with a given output. $2+2+4=8$
44. What is perfect competition? Discuss short-run equilibrium of firm under perfect competition. $2+6=8$
45. Explain diagrammatically the long-run supply curve under constant cost industry.

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