TDC (CBCS) Odd Semester Exam., 2019

ECONOMICS

(1st Semester)

Course No. : ECOHCC-101T

(Introductory Microeconomics)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

The figures in the margin indicate full marks for the questions

Answer two short questions (2 marks) and one broad question (10 marks) from each Unit

UNIT—I

1. Answer any *two* of the following :   2×2=4

    (a) How does scarcity govern economic choices?

    (b) Devine economic efficiency.

    (c) What are the main economic systems?

2. *(a)* *(i)* What is economics? Why it is important to study economics? Give three reasons. 2+3=5

(ii) Who introduced economics as a real science? Explain briefly how economics is related to science. 1+4=5

Or

(b) Why are graphs used in economics? Explain with example, the use of line graphs and pie graphs in microeconomic analysis. 2+4+4=10

UNIT—II

3. Answer any *two* of the following : 2×2=4

(a) Define supply function.

(b) What is arc elasticity?

(c) How does competition affect the market?

4. *(a)* *(i)* Define cross elasticity of demand. How do we measure it? 2+2

(ii) Show the nature of cross elasticity of demand for substitutes and complementary goods. 3+3

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(Continued)

Or

(b) (i) What is price control? Why does control of prices of some commodities by the government become inevitable? 2+2=4

(ii) Explain in brief the effects of price control or demand and supply of commodities with the help of a diagram. 6

UNIT—III

5. Answer any *two* of the following : 2×2=4

(a) Define slope of indifference curve.

(b) Distinguish between normal good and inferior good.

(c) What is price consumption curve (PCC)?

6. (a) Distinguish between budget line and budget space. Explain briefly consumer's equilibrium though scale of preferences. 4+6=10

Or

(b) Illustrate the difference between the Hicksian and Slutsky methods of separating income and substitution effects of price change of a normal good. Which method gives, in your opinion, a better measure of the two effects and why? 7+3=10

UNIT—IV

7. Answer any *two* of the following : 2×2=4

   (a) Define opportunity cost.

   (b) Mention two features of imperfect competition.

   (c) What is shutdown point of the firm?

8. (a) Show graphically the determination of profit maximizing equilibrium of discriminating monopolist. Is price discrimination socially desirable? 7+3=10

   Or

   (b) (i) Distinguish between plant curve and envelope curve.

   (ii) Illustrate graphically the relationship between AFC, AVC, AC and MC. Why does AFC take the form of a hyperbola? 5+2=

UNIT—V

9. Answer any *two* of the following : 2×2

   (a) Mention two factors that affect the demand for demand for labour.

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(b) Point out two characteristics of efficient land markets.

(c) How are output and input related to productivity?

10. (a) What is MRP? What role does it play in the derivation of demand curve for a factor of production? Explain diagrammatically. 3+7=10

Or

(b) Write short notes on the following :

5+5=10

(i) Labour market equilibrium in a competitive market

(ii) Derivation of labour demand curve with factor demand inter-dependence.

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