

TDC (CBCS) Odd Semester Exam., 2019

ECONOMICS

(3rd Semester)

Course No. : ECOHCC-301T

(Intermediate Microeconomics—I)

Full Marks : 70

Pass Marks : 28

Time : 3 hours



The figures in the margin indicate full marks for the questions

Answer all questions

UNIT—I

Answer any two of the following : $2 \times 2 = 4$

(a) Explain the concept of utility in economics.

(b) Mention two limitations of indifference curve analysis.

(c) Define 'diminishing marginal rate of substitution'.

(2)

2. (a) What is budget constraint? Explain consumer's equilibrium with the help of budget line and indifference curves.

2+2

Or

- (b) Explain how Marshallian demand theorem can be derived with the help of revealed preference hypothesis. Mention two points of superiority of Samuelson's revealed preference on the earlier theories of demand.

8+2

UNIT—II

3. Answer any two of the following :

2+2

- (a) Define Giffen goods.
(b) What is substitution effect?
(c) Define income-consumption curve.

4. (a) Explain price effect with the help of a diagram. Draw price-consumption curve with the help of indifference curves and price line assuming that the price of good X changes and that of Y remains the same.

5+5

Or

- (b) Define inferior goods. Explain with figures the price-demand relationship for an inferior good.

2+8

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(Continue)

(3)

UNIT—III

5. Answer any two of the following : $2 \times 2 = 4$

- (a) What is opportunity cost?
- (b) Define total variable cost (TVC).
- (c) Define short run and long run.

5. (a) Define average variable cost (AVC) and average fixed cost (AFC). Explain the shapes of AVC and AFC curves with diagrams. $(2+2)+(3+3)=10$

Or

- (b) Distinguish between average cost and marginal cost. Explain the relationship between AC and MC with the help of diagram. $4+6=10$

UNIT—IV

7. Answer any two of the following : $2 \times 2 = 4$

- (a) Define inputs and outputs.
- (b) Mention two assumptions of the law of variable proportions.
- (c) Define isoquants.

(4)

8. (a) Define returns to scale. Discuss the different types of returns to scale with the help of diagrams. 2+8

Or

- (b) Define marginal rate of technical substitution (MRTS). Explain the concept of MRTS between two variable inputs with the help of diagram. 2+8

UNIT—V

9. Answer any two of the following : 2x4

- (a) Why is $AR = MR$ in a perfectly competitive market?
- (b) What is shut-down point?
- (c) Define the concept of supply curve.

10. (a) Distinguish between firm and industry. Describe the objectives of a firm. 3+7

Or

- (b) Explain the equilibrium of a firm under perfect competition both in short run and long run. 5+5
