TDC Even Semester Exam., 2017

ECONOMICS

(Pass)

(2nd Semester)

Course No. : ECOP-201

(Microeconomics)

Full Marks : 50
Pass Marks : 17

Time : 2 hours

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

Answer **five** questions, selecting **one**
from each Unit

UNIT—I

1. *(a)* Define marginal cost and average cost. 2

   (b) Draw a diagram showing total fixed cost curve, total variable cost curve, average fixed cost curve and average variable cost curve. 4

   (c) Why is the long-run average cost curve U-shaped? Explain it with the help of a diagram. 4

(Turn Over)

2. *(a)* What is revenue? How does it differ from cost?   1+1=2

(b) Explain the shape of marginal revenue and average revenue curves for the following :   4+4=8

    (i) Perfect competition

    (ii) Monopoly market

UNIT—II

3. *(a)* Distinguish between normal price and market price.   3

(b) What is market period? Draw a market period demand curve and a supply curve.   2

(c) Explain with the help of a diagram, how a firm attains equilibrium under perfect competition in the long period.   5

4. *(a)* What factors govern the growth of monopoly?   2

(b) Mention two advantages and two disadvantages of monopoly.   4

(c) "Dumping is a special case of price discrimination." Discuss.   4

J7/1364

(Continued)

UNIT—III

5. (a) Make a comparison between monopolistic competition and perfect competition. 4

(b) What is the shape of the demand curve under monopolistic competition? 1

(c) Explain with diagram the long-run equilibrium of a firm under monopolistic competition. 5

6. (a) Mention four important causes responsible for the emergence of oligopoly. 4

(b) What are the factors responsible for the rigidity of price at market level under conditions of oligopoly? 5

(c) What is the shape of the MR curve under oligopoly? 1

UNIT—IV

7. (a) What do you mean by quasi-rent? Name the economist who introduced the concept of quasi-rent. 1+1=2

(b) Point out the basic differences between rent and price. Does rent enter into price? 2+2=4

(c) What is real wage? Mention three basic factors which often govern real wage of workers. 1+3=4

8. (a) Who put forward the uncertainty bearing theory of profit? What are the differences between risks and uncertainties? 1+2=3

(b) What do you mean by the term 'liquidity preference'? Mention different motives behind 'liquidity preference'.

2+3=5

(c) Point out the fundamental differences between gross profit and net profit. 2

UNIT—V

9. (a) Who is considered as the father of welfare economics? Mention two objectives of welfare economics. 1+2=3

(b) Distinguish between positive economics and welfare economics.
3

(c) Explain the concept of social welfare. 4

10. (a) What is optimum position in the Paretian sense?

2

(b) Mention two merits and two demerits of Pigovian welfare economics. 2+2=4

(c) Write a short note on 'Pigou's ideal output'.

4

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