

**2020/TDC (CBCS)/ODD/SEM/
ECOHCC-301T/454**

**TDC (CBCS) Odd Semester Exam., 2020
held in March, 2021**

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*

SECTION—A

Answer any ten of the following questions :

2×10=20

- (a) What is the relation between utility and value of goods?
- (b) What is budget constraint?
- (c) What does strong ordering mean?

- (d) Define ordinal utility and cardinal utility.
- (e) What is price-consumption curve?
- (f) Define inferior goods.
- (g) What is compensated demand curve?
- (h) Why are compensated demand curves less elastic or steeper than the ordinary demand curves?
- (i) What is cost function?
- (j) Distinguish between explicit costs and implicit costs.
- (k) Give the concepts of accounting costs and economic costs.
- (l) Why is average cost curve U-shaped?
- (m) Mention two assumptions of production function.
- (n) Give the concept of isocost line.
- (o) What is production possibility curve?
- (p) Define returns to scale.

(3)

- (q) Define equilibrium.
- (r) What is supernormal profit?
- (s) What is reserve price?
- (t) Why does a firm earn only normal profits under perfect competition?

SECTION—B

Answer *any* **five** questions

2. What is consumer's equilibrium? Explain consumer's equilibrium with the help of indifference curves. 2+8=10
3. Explain the revealed preference theory of Samuelson. Discuss two assumptions of the theory. 8+2=10
4. What is income-consumption curve? Explain the concept of income-consumption curve with the help of a diagram. 2+8=10
5. Explain with the help of suitable diagrams how ordinary and compensated demand curves can be derived from indifference curves. 10

6. Explain the derivation of long-run average cost (LAC) curve from short-run average cost (SAC) curve. Why is long-run average cost curve flatter than short-run average cost curve? $8+2=10$
7. Explain with the help of figures how technological improvement leads to shift in the cost curves. 10
8. Define production function. Explain the production function with one variable input with the help of suitable example and diagram. $2+8=10$
9. What are isoquants? Discuss four properties of isoquants. $2+8=10$
10. Give the meaning of firm and industry. What are the important types of firms? Discuss four objectives of a firm. $2+2+6=10$
11. What is a supply curve? Explain with diagram the short-run supply curve of a competitive firm. $2+8=10$

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