

**2021/TDC/CBCS/ODD/  
ECOHCC-301T/454**

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

**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 :  $2 \times 10 = 20$

1. What is opportunity set?
2. Discuss two reasons for diminishing marginal rate of substitution.
3. What is transitivity?
4. What is income-consumption curve?

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SECTION—A

Answer any *five* of the following questions :  $10 \times 5 = 50$

5. Distinguish between Inferior goods and Giffen goods.
6. Distinguish between Ordinary demand curve and Compensated demand curve.
7. Distinguish between fixed cost and supplementary cost.
8. Give the concepts of accounting costs and economic costs.
9. Why are long-run average cost curves flatter than short-run average cost curves?
10. Define production function.
11. Explain the concept of 'returns to scale'.
12. Define marginal rate of technical substitution (MRTS).
13. Define normal profit and super-normal profit.
14. Distinguish between pure competition and perfect competition.
15. Discuss why long-run supply curve can be upward sloping, horizontal or downward sloping.

16. Explain with suitable diagrams the shift in the budget line as a result of (a) change in the income of the consumer, and (b) change in the price of one commodity under consideration. 5+5=10
17. Explain the derivation of Marshallian demand theorem with the help of revealed preference hypothesis. Mention two points of superiority of revealed preference hypothesis to the earlier theories of demand. 8+2=10
18. Explain with the help of diagram that the price effect is the sum of income effect and substitution effect. 10
19. Explain with the help of diagram how indifference curves can be used to indicate the supply of labour at different wage rates. 10
20. Distinguish between average cost and marginal cost. Explain the relationship between average cost and marginal cost with the help of diagram. 4+6=10

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21. Explain with the help of diagram how technological improvement leads to shift in the cost curves. 10
22. Explain the law of variable proportions with example and diagram. 10
23. What is elasticity of substitution? Explain the concept of elasticity of substitution with the help of a diagram. 2+8=10
24. Distinguish between firm and industry. Give an account of the main types of firm and industry. 2+4+4=10
25. Explain with diagrams the equilibrium of a firm under perfect competition both in short-run and long-run. 5+5=10

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